The Financial Times, February 19, 1976

FINANCIAL TIMES

No. 26,899 Thursday February 19 1976 ** 10p

CONTINENTAL SELLING PRICES: AUSTRIA Sch.13; BELGIUM Fr.20; DENMARK Kr.2.75; FRANCE Fr.2.20; GERMANY DM1.70; ITALY L.300; NETHERLANDS Fl.1.50; NORWAY Kr.2.75; PORTUGAL Esc.15.00; SPAIN Pts.30; SWEDEN Kr.2.50; SWITZERLAND Fr.1.50.

NEWS SUMMARY

GENERAL

Iceland to sever British links

Iceland will break off diplomatic relations with Britain to-day, reports Jan Magnusson in Reykjavik. This break between Nato partners is likely to embarrass the Atlantic alliance.

The rupture, for which Iceland has not set a date, follows London talks with Nato Secretary General Dr. Luns.

In the disputed fishing grounds, there were clashes between gunboats and trawlers. Trawl wires were cut, and there was a collision between a coastguard vessel and a British frigate.

Railroaded

Despite some opposition from unions, British Rail is to go ahead with cuts in services next month, hoping to save more than £3m. a year. The economies, intended to apply from January 1 but postponed for more discussions with the unions, will almost coincide with the higher fares announced on Tuesday. Back Page

Europe moves towards MPLA

Britain yesterday was one of the many European nations which recognised the MPLA's People's Republic of Angola. But West Germany and Belgium had not joined their Common Market partners in endorsing the Soviet-backed government.

Britain, Holland, Ireland and Italy specifically condemned foreign intervention in Angola and the U.K. Foreign Office called on Cuba and South Africa to withdraw their forces.

Salesman charged

Machine tool salesman Patrick Henry has been charged in Troyes, France, with kidnapping and killing 7-year-old Philippe Bertrand. The body was found under his hotel bed, police say.

Concorde hitch

Concorde could be banned from landing in the U.S. if a Bill set up by the New York State environmental protection committee gains approval. The Bill, which imposes noise limits, goes before both Houses next week.

Expected

The body of IRA hunger striker Frank Stagg is expected to arrive in the Irish Republic this morning. West Yorkshire police confirmed yesterday that the body, still receiving police protection, would be flown out from an unnamed airport.

In Ireland, a defence solicitor in the Herrema trial, due to open on Monday, has applied for an adjournment, which the Court is widely expected to allow.

'Flu deaths rise

Deaths from 'flu and pneumonia in England and Wales trebled last week to 239, says the Department of Health. This is the highest weekly total for two years.

Doctor's orders

Wearing of seat belts by car drivers and passengers would become compulsory under a Bill to be introduced by Dr. John Gilbert, Transport Minister.

Briefly . . .

Fresh tremor shook Guatemala City, but there was little further damage and no casualties.

In Thailand about 150 Communist guerillas attacked a provincial police station with grenades and automatic weapons.

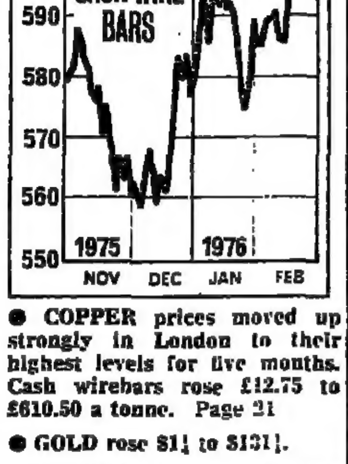
Tokyo police arrested a gunman who had seized three hostages in a bank after killing one policeman and wounding a second.

BUSINESS

Equities down 6; Gilts rally falters

● EQUITIES fell back on rumours of a big fund-raising issue by ICI—due to announce its annual results to-day. These followed news at the opening of a £20m. rights issue by Turner and Newall. Selling was light, but the FT 30-share index closed 6 points lower at 397.3.

● GILTS moved erratically. Early gains of up to ½ in longs prompted by hopes of another cut in MLR were erased by the close. Shorts held scattered rises of around ¼.



● COPPER prices moved up strongly in London to their highest levels for five months. Cash wirebars rose £12.75 to £610.50 a tonne. Page 21

● GOLD rose $1¼ to $131½.

● STERLING gained 20 points to $2.0245; its weighted depreciation widened to 30.4 per cent. (30.3). Dollar's weighted average was 2.72 per cent. (2.53).

● WALL STREET closed [illegible] ahead at 960.09, reversing the downward trend of the past three sessions.

● JAPAN had a balance of payments current account deficit of $1bn. in January, with a $630m. surplus in December and a $1.2bn. deficit a year ago. Page 4

● GREENWELL AND CO., a London stockbroker, has accused the Treasury of having a bad record in forecasting public expenditure. The charge comes on the eve of the Government's public spending White Paper. Back Page

Chrysler agents attack market share forecasts

● CHRYSLER U.K.'s forecasts for its market share, on which it is basing its Government-backed recovery strategy, have been challenged by leading figures in its dealer organisation. Back Page

● MR. ALAN DIX, a former managing director of Volkswagen (G.B.), has been appointed director-general of the Motor Agents' Association. Men and Matters, Page 18

● CBI has approved proposals favouring the negotiation of "participation agreements" with employees. Back Page. It is to see Mr. Healey next week to argue for a neutral Budget in April. Page 9

● MR. JOE GORMLEY threatened to boycott talks between the coal industry and Government energy Ministers on Friday if the NUM executive does not call off its overtime ban. Page 11

COMPANIES

● NEB is expected to take over the Rank Organisation's 9.1 per cent. stake in Brown Boveri Kent, raising the State holding in the Swiss-controlled concern to more than a fifth. Page 7

● ALBRIGHT AND WILSON report pre-tax profits down £4.25m. at £15.54m. for 1975. Page 21 and Lex

● J. P. MORGAN, the parent of Morgan Guaranty, is to issue 2m. new ordinary shares and $150m.-worth of ten-year notes in the first equity issue by a major U.S. bank for three years. Page 24

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Treasury 8¼pc '80-82	£92	+ ¼
Barlow Rand	213	+ 8
Chloride	105	+ 3
Cole (R. H.)	46	+ 4
Costain (R.)	218	+ 4
Emu Wine	180	+ 5
Foseco Minsep	189	+ 4
Fox's Biscuits	85	+ 7
Hawker Siddeley	410	+ 4
Marchwiel	115	+ 6
Morgan-Grampian	80	+ 5
Morris (H.)	85	+ 9
Mothercare	176	+ 11
Security Services	64	+ 4
Tecalemit	57	+ 3
Woodhead (J.)	101	+ 4
Yarrow	146	+ 4
Stebens (U.K.)	210	+ 20
Anglo-American	307	+ 9
De Beers Dfd.	268	+ 18
Mangula MTD	75	− 7
Messina	230	+ 15
Northgate Expln.	455	+ 20
Selection Trust	480	+ 15

FALLS

Courtaulds	130	− 5
Dimplex	7	− 2½
EMI	244	− 4
GEC	149	− 3
Grimshawe	17	− 2
ICI	377	− 5
Lonrho	117	− 5
MEPC	82	− 3
Nat. Westminster	247	− 8
P & O Dfd.	98	− 10½
Tube Invests.	330	− 4
Turner and Newall	152	− 8
Unilever	424	− 8
LASMO/SCOT Units	170	− 5
Pahang Cons.	25	− 5
Westfield Minerals	172	− 20

Rises in earnings lag further behind price increases

BY MICHAEL BLANDEN

Government pay policy is continuing to cut the level of real incomes. The rise in average earnings shown by the latest Department of Employment figures published yesterday is lagging further behind the increase in prices.

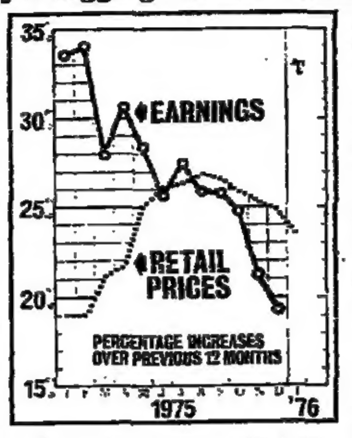
However, the Government argues that this is happening because the level of earnings has reacted more quickly to the impact of wage restraints than other inflation indicators.

With the added effect of higher unemployment, the earnings figures show a continuing downtrend in the underlying pressure of costs which is expected to work through into prices later in the year.

As a result, it is felt in Whitehall that the Government's aim of cutting the rate of price inflation to single figures by the end of this year is still on target.

Recent indications that the economy is beginning to recover from the bottom of the recession were underlined by figures, also published yesterday, for gross domestic product in the fourth quarter of 1975, showing a rise of about 1 per cent. over the third quarter.

The index of average earnings, regarded as the most sensitive indicator of the effect of the wages policy, showed an increase of 2.1 per cent. between November and December, from 243.5 to 248.6 (seasonally adjusted, January, 1970 = 100).



Reacted

Though this was a rather bigger rise than in the previous month, it brought the year-on-year rate of rise in average earnings (the increase from December, 1974, to December, 1975) down to 19.3 per cent.

This compared with a rise of 21.3 per cent. in the 12 months to November and was the lowest year-on-year increase since July, 1974.

The earnings figures are published a month behind the price index. But with retail prices up 24.9 per cent. in the 12 months to December, average earnings were then lagging behind by more than 5½ percentage points—though the gap could narrow in January when retail prices showed a lower rise of 23.4 per cent. compared with a year earlier.

The figures for wages—which exclude overtime—have reacted less quickly, partly also because they cover only manual workers.

Between December and January, basic weekly wage rates rose by 1.7 per cent., with the index up from 197.0 to 200.4 (July 31, 1972 = 100).

This took the year-on-year increase up to 26.2 per cent. in January, higher than the 25.4 per cent. rise shown in the 12 months to December.

The rise in January partly reflected the delayed settlement of wages in the tailoring industry which would normally have appeared in December.

Other industries contributing to the wages rise in January were agriculture, road passenger transport, the Post Office and the motor vehicle retail and repair industry.

Restraints

The effect of the wage restraints is expected to continue to show up in a declining trend in the earnings figures; though there is likely to have been a temporary upturn in the year-on-year rate last month because of the exceptional movement last year when the index actually fell in January.

According to Department of Employment estimates, some 28 per cent. of the work force has settled within the pay restraints since they came into effect on August 1.

The preliminary estimate of gross domestic product for the fourth quarter of 1975 is in line with the pattern of the index of industrial production already published.

The latest figures show that GDP, based on output data, stood at 107.6 (at constant prices, seasonally adjusted, 1970 = 100), compared with 106.6 in the previous quarter.

Editorial comment, Page 18

Brussels against exclusive fishing beyond 12 miles

BY ROBIN REEVES BRUSSELS, Feb. 18.

BRITAIN'S FISHERMEN will find themselves competing for fishing quotas with other EEC fishermen outside a 12-mile band round the U.K. coast if proposals put forward by the European Commission to-day are adopted.

In a move which seems certain to embarrass the British Government during the House of Commons fisheries debate to-morrow, the Brussels Commission to-day brushed aside U.K. pressure for a big extension of exclusive fishing rights for British fishermen within the proposed 200-mile limit for territorial waters. The 200-mile limit is likely to receive wide support at the next phase of the Law of the Sea Conference.

U.K. request

The U.K. fishing industry is asking for an exclusive zone as wide as 50, preferably 100, miles within the broader 200-mile limit. To-day's proposals come down firmly in favour of an exclusive zone no wider than 12 miles.

But anxious EEC officials were stressing here that the Commission's plan is in line with the fundamental principle of equal access for Common Market fishermen to all Community waters enshrined in the common fisheries policy.

Exclusive fishing rights off the U.K. coast, generally of six miles but up to 12 miles in certain areas, are due to be phased out after 1982. They are no more than a special derogation secured during the EEC entry negotiations. Thereafter, the policy envisages all EEC fishermen being allowed access up to the beach.

These arrangements were made before anyone seriously considered the possibility of a general move to 200-mile limits.

Now the Commission is recommending that the basic fisheries regulation be changed to allow the eventual introduction of a general 12-mile exclusive band, with the gradual phasing out of historic fishing rights enjoyed by non-local fishing fleets in such waters. In any case, it proposes that the Council of Ministers agree in principle to the present exclusive zones being maintained after 1982.

Beyond the 12-mile limit the Commission envisages fishing in EEC waters being regulated by a system of catch quotas. Placing its proposals firmly in the framework of conserving fish stocks and the need to prevent over-fishing, it calls for the setting up of a Community Fisheries Committee made up of its own and member Government technical experts who would decide maximum substainable fishing quotas for individual species of fish and groups of species.

These quotas would then be shared out among national fleets on the basis of each country's average catch over a period of years. The period is left unspecified.

Potential landings from fishing rights won in non-EEC waters would be added to the global Community quotas. The Commission is confident that such fishing access can be negotiated for distant-water trawlers in exchange for granting preferential access to the EEC market for fish products.

But, at the same time, any fishing rights in Community waters granted to non-EEC countries would first be subtracted from the global quotas, before their allocation among member states. So would a 5 per cent. EEC reserve quota.

Conditions for distributing this reserve are left open, but the Commission apparently envisages it being shared out as a sweetener to those EEC member states who feel badly done by in the basic quota allocations.

Reaction

Richard Mooney writes: Official U.K. reaction to the EEC Commission proposal was muted, with the Ministry of Agriculture contenting itself with welcoming the fact that firm proposals had been made. A Ministry spokesman said the proposals would need study and said no further comment was possible at this stage. He hoped that negotiations would begin shortly.

But a White Fish Authority spokesman last night described the plan as "quite inadequate." He said the new-style fisheries policy should reflect the fact that Britain would be the biggest loser of distant water fisheries in the Community under a 200-mile limits regime and that it would also be by far the biggest contributor to the EEC fisheries pool.

Big P & O profits shortfall

BY MARGARET REID

P & O, the large shipping group, is now expecting its profits for the 15 months to December 1975, to fall substantially short of the £34m. originally foreshadowed, because of the world shipping recession and certain problems at its Bovis subsidiary.

Instead, a total of some £28m. before tax, further reduced to £20m. by the £8m. provisions set aside against Bovis' development properties, is now looked for.

In addition, a further provision of about £15m. is being made against the book values of Bovis' investment properties, mainly on the Continent, some of which have now been sold. This will appear as an extraordinary item in the full P and O results, due in early May. The Bovis investment properties have been reclassified as current assets.

No dividend cut appears in prospect, however, in spite of the setback. A second interim dividend now declared brings the total so far for the 15 months to 5p a share, compared with a shade less in 1973-74, and the Board intends to recommend a final dividend later.

P. and O. shares closed 10½p down at 98p last night, after having ranged between 59p and 125p in 1975-76.

The group explains that three major problems have emerged—concerning the passenger division, the European and air transport division, and Bovis—since the earlier forecast.

Trading results of the passenger side have been less than expected, partly due to the downturn in the cruising market in Australia following the devaluation of the Australian dollar. It appears that overall a loss has been incurred on this side.

In the last six months three passenger ships have been withdrawn from the Australian market and sold. The "Oronsay" is one of these, not the "Arcadia" as incorrectly reported in Monday's issue.

Poorer trading results have also emerged in the European and air transport side, mainly due to losses on ferries, including the "Eagle" and "Panther" which were employed on services to Spain and Portugal, since discontinued.

In Bovis, which the group took over in 1974, results have been hit by trading experience in South-East Asia and Canada, though the construction divisions have made the expected good contribution. The general cargo and bulk carrier divisions have also performed as previously expected.

Lex, Back Page

£ in New York

—	Feb. 18	Previous
Spot	[illegible]	[illegible]
1 month	[illegible]	[illegible]
3 months	[illegible]	[illegible]
12 months	[illegible]	[illegible]

Busy month for rights issues

BY KEITH LEWIS

MORE money has been raised through rights issues in February to date than in any single month since last June. Yesterday's offers totalled £24½m., embracing five separate companies, which brings the tally this month to just short of £137m.; this compares with £52.4m. in the first month of the year and with £188.5m. last June.

Industrial group Turner and Newall alone added £20m. to the total yesterday, via a one-for-four rights issue at 130p—a discount of 19 per cent. on the previous night's closing price of 160p.

The February figure had earlier been swollen by two other large issues: Lloyds Bank asked for £74m. on February 7 and Imperial Metal Industries (in which Imperial Chemical Industries has a 62.8 per cent. equity stake) sought £20m. last Tuesday.

Like Imperial Metal, Turner and Newall explains that it needs the cash for its capital expenditure programme, to enable the group to support future working capital requirements and to increase the equity base. T and N has accompanied its issue with a forecast of pre-tax profits for the year ending December 31, 1975, of £21.3m., against £21.5m. in the previous 12 months.

Other issues announced yesterday came from HAT Group, suppliers of specialist services and materials to the construction industry, asking for £1.5m., and Tecalemit calling for £1.1m. Braham Millar, engineers, and External Trust are raising £0.5m. and £1.4m. respectively.

Speculation about imminent rights issues has continued. The Stock Market on Wednesday and Thursday last week was subdued by talk of a major fund-raising operation, which subsequently failed to materialise. This week attention has fixed on ICI: Britain's largest industrial group, which announces its annual results to-day, with the suggestion that it is planning a major fund-raising scheme in the next few weeks or months.

Lex, Back Page

Tougher laws to fight race discrimination

BY JOHN HUNT AND CHRISTIAN TYLER

THE GOVERNMENT intends to tighten the laws against racial discrimination, particularly in the field of employment, and to replace the existing Race Relations Board and Community Relations Commission with a more powerful body.

Details of the proposals were given in the Race Relations Bill published yesterday. No major opposition is anticipated when it comes up for Second Reading in the Commons in a few weeks' time, although some MPs are likely to argue that introduction of a whole range of new legal provisions covering race relations is totally unnecessary.

The new measure, which closely follows the enforcement provisions of the Sex Discrimination Act, strengthens the definition of racial discrimination.

It extends it to cover discrimination on the grounds of nationality, including citizenship.

The legislation also makes illegal indirect discrimination, particularly in cases where a condition or requirement is disadvantageous to a certain racial group and is unjustifiable.

Incitement to racial hatred, at present an offence, will be extended by making it no longer necessary to prove a subjective intention to stir up such hatred. It will be sufficient to prove that the words in question were used in circumstances in which they were likely to stir up racial hatred.

Private clubs

The provisions will operate in the fields of employment, training, education, housing, provision of goods, facilities and services, advertising and private clubs.

It will be unlawful for an employer to discriminate in recruitment or the treatment of existing employees in promotion, training, transfer or dismissal.

Also dealt with are discrimination by trade unions and employers' associations, by partnerships of six or more, by employment agencies or training bodies. It forbids discrimination against contract workers or in the granting of licences or qualifications for a trade or occupation.

The new law on clubs is likely to prove the most contentious. The House of Lords has ruled in favour of working men's clubs in two cases of alleged racial discrimination, on the grounds that the 1968 Act did not apply to their members or associate members. The Bill will mean that 4,000 workingmen's clubs with membership of 3.5m. will have to open their doors to everyone regardless of colour.

The Bill allows "positive discrimination" in training minority groups in an attempt to encourage employers to open promotion to coloured workers, and unions to appoint more coloured officials—of whom there are very few at present.

Furthermore, it will no longer be possible for an employer to stop recruitment of racial groups on the grounds that he has achieved a "racial balance" in his factory or office.

One of the most important innovations is the power of the new Commission to investigate company and union practices without waiting for a complaint, and to serve notices on employers and others which are ultimately enforceable through the courts.

For the individual employee it will be easier to lodge a complaint. In the first instance he will be expected to use the Advisory, Conciliation and Arbitration Service in his area. If conciliation fails, he will have quick recourse to an industrial tribunal for compensation. At the moment racial discrimination complaints are dealt with centrally, a procedure that is thought to deter many people with grievances.

The 1968 Act permitted discrimination in the employment of seamen resident in Britain. But this will be repealed by the new legislation although, for the time being, it will allow discrimination in the recruitment of overseas seamen.

Banning discrimination in the provision of goods, facilities and services will cover the granting of loans, finance, mortgages and the provision of facilities for recreation and entertainment.

FEATURES

ON OTHER PAGES

For latest Share Index 'phone 01-246 8026

LOMBARD

This is what it is all about

BY C. GORDON TETHER

"WHILE being an ardent supporter of the EEC, I — and probably millions of housewives — do not believ ethat it was ever intended to put an end to one of our British traditions." So wrote an irate Essex farmer in a recent letter to the Daily Telegraph. He was explaining why turkey producers contend that "fundamental issues" are at stake in thei rfight to prevent the farm-fresh turkey, beloved of the British housewife, being replaced by the frozen version at the insistence of the Brussels bureaucracy.

If this farmer and his "millions of housewives" really believe that retaining our freedom to preserve such traditional aspects of our way of life is a matter of fundamental importance, they should have read the small print a great deal more carefully before voting "yes" to remaining within the Common Market last year. For the wholesale harmonising of national procedures of all kinds to bring them into line with the prescribed Community pattern is just what the European Community is all about.

Official plans to phase out the fresh-plucked turkey to comply with Common Market directives may be a case of "bureacracy gone made" — as Mr. Tim Denham-Smith, vice-chairman of the British Turkey Federation, described it earlier this month. But it is precisely this kind of interference with the normal functioning of our economic lives that we must expect as the European integration juggernaut rolls forward—and to an ever-increasing extent.

Equal pay

Just within the past week or two a bitter argument has developed between Dublin and Brussels as a result of the EEC Commission's flat rejection of Ireland's request to be allowed to postpone the implementation of the Community's equal pay directive.

The situation is seen to be the more disturbing when one remembers that many of the decisions that allow the Brussels bureaucracy to extend its intrusion into the lives of all those residing in the Community are often taken without adequate discussion in the member states of the likely consequences for them.

Hands up those who know that a debate has been proceeding in the corridors of power in Brussels about a plan to bring into line all Europe summer-time arrangements in the Community — indeed that, by now, Britain might well have been to a significant extent committed to go along with this idea had it not been for the fact that the Germans did not want, "for political and psychological reasons," to have different time zones in East and West Berlin.

Even as it is, there seems to be a distinct possibility that we shall be presented with a cut-and-dried plan for bringing the dates on which summer time begins and ends into line—a plan which will have the effect of reducing the period during which it operates in Britain by a month or more.

No doubt such harmonisation has something to be said for it—it would clearly make life a little easier for those involved in cross-frontier traffic whether as tourists or businessmen. But the "loss" of valuable hours of daylight would also have disadvantages—in terms of lighting costs and the death toll on the roads, for instance.

A capitulation

One reason for this situation is, of course, that Brussels is now busying itself with co-ordinating so many aspects of our activities that it would be necessary to create and finance a considerable anti-EEC lobby to keep up with it. But it is also evident that there is a marked tendency for member governments to refrain from encouraging public discussion at home of impending new elaborations of EEC rules and regulations for fear that the result will be to cause them embarrassments in Brussels

It is significant that our own Government's decision earlier this week to amend an EEC order relating to cereals to prevent the Council of Ministers changing it without the consent of the British Parliament has been described as "a capitulation in face of strong pressure from MPs and peers and also is the first occasion on which it has agreed to revise an EEC order in response to criticism."

Since, as I said eariler, harmonisation is what the European Community is all about, we are going to have to stomach a great deal more of what may look very much like "bureaucracy gone mad" from Brussels. But, as the Government's about-turn on the cereals directive shows, the tide may to some extent be stemmed if Parliament can be encouraged to bring appropriate pressure to bear. And, in this connection, one hopes that Mrs. Thatcher's anti-bureaucracy crusade will not continue to ignore this ready-made target in the significant way it has done up till now.

SALEROOM BY ANTONY THORNCROFT

Joyce script fetches £2,700

THE growing interest in Japanese works of art, apparent on Tuesday at a Christie's sale, was well maintained yesterday at Sotheby's, which sold pottery, porcelain, netsuke and lacquer work for £109,334 with only 2 per cent. unsold.

There was a particularly good top price of £10,500 for a late 17th century Ko-Kutani bottle decorated with shrubs, fences and flowers. It comfortably beat its forecast. The bottle was sold two years ago at Phillips for £8,500.

There was strong Japanese and German bidding yesterday. The Tokyo Gallery paid over double the forecast with a £4,500 bid for a late Edo Suzuribako and matching Fuzukue (writing table). The London dealer Eskenazi bought an 18th-century ivory netsuke of a Hakutaku for £3,800; D. Newman paid £3,600 for a late 17th-century Kakiemon dish; and a Japanese dealer bought a Kakiemon jar, estimated at £500-£600, for £3,400.

Sotheby's also sold Old Master paintings for £159,040. Fewer than 12 per cent. were unsold. A German dealer gave £4,800 for a portrait of the Holy Family and St John by Cornelis van Cleve, and the same price was paid by an Austrian dealer for a river landscape by Griffier. A pair of pastoral scenes by Jacques-Sebastian Leclerc went to Ivor Giblin for £4,600.

Detail from Christ on the Cross by Delacroix

A corrected typescript of James Joyce's Work in Progress, which later appeared with two minor corrections as the first part of Finnegans Wake, was sold at Christie's for £2,700 to the London dealer M. Reed. The price for the 28 numbered sheets, produced in Paris in December, 1926, was well above expectations.

The work was in a sale of 20th-century literature and modern art reference books which totalled £17,494. As usual, works illustrated by Eric Gill and published around 1930 by the Golden Cockerel Press fetched high prices—£480 for a copy of the Four Gospels and £475 for the Canterbury Tales. A disappointment was a lot of 291 first numbers of childrens' papers, ranging from a good copy of The Magnet to a Hotspur of 1933. They were expected to make £550-£600 but were bought in at £350.

Christie's also held a successful sale of Russian, Greek and Ethiopian ikons—a difficult market in recent months. The total was £50,981. A 16th-century North Russian ikon of the Metropolitan Peter sold to a private buyer for £4,000, on target, and the same collector acquired the "miracle-working" ikon of the Feodorovskaja for £1,800.

At Phillips, a 14-inch Maori figure of around 1800 was bought by an American dealer, Simpson, for £5,400, as against a £1,000 estimate. Two 19th-century New Guinea dance masks in the form of birds sold to Van de Velde for £820 each, double their forecast. This, Phillips first specialised sale of such antiquities, ethnography and oceanic art, made £12,131.

RACING BY DOMINIC WIGAN

Dorlesa has the class to win

WITH BOTH divisions of the novice hurdle and the seller being split at Southwell to-day because of an excess of runners, there will now be nine races on the Nottinghamshire track, starting at 12.30.

The most interesting is the Bromley Arms 'Chase, in which *Dorlesa* will be trying to concede 35 lb. to the in-form Cruiscin Lan.

Dorlesa, who was far from disgraced on his seasonal debut at Wetherby 12 days ago when running on strongly to be fourth behind Prize Crew in the competitive Garforth 'Chase, will not find the weight concession to Cruiscin Lan an easy task.

Nevertheless, Tony Dickinson's eight-year-old is a high-class performer, ideally suited by a small field such as this, and I take him to come out on top.

Another interesting event with a small turnout is the Star and Garter 'Chase, in which a case can be made out for all eight runners. Here I believe it could pay backers to row in with the lightly weighted *Portholme*, who has travelled down from Yorkshire.

SOUTHWELL
12.30—Gay Viking
1.00—Knave of Hearts
1.30—Rajmalaj
2.00—Royal Request
2.30—Portholme*
3.00—Doresa***
3.30—Beholden
4.00—Tudor Crown**
4.30—Certainly John

TAUNTON
3.15—Greek Ancestor
4.15—Aspire
4.45—Damside

At to-day's other meeting, Taunton, where the 11-race card is due to get under way at 11.45, *Green Ancestor* is a tentative choice for the principal event, the Cecil Hunt Trophy.

Looking ahead to Saturday's Joe Coral Welsh Grand National, the sponsor is offering all ante-post bets with a "no run, no bet" proviso, because of the possibility of several runners switching to Newcastle for the Eider 'Chase on the same afternoon.

Intended runners for the three miles six furlongs Welsh National at Chepstow, which carries £9,000 in added prize money, include Forest King, Rubstic, the 4-1 market leader in Coral's book, Lord Browndodd, Another Muddle, Iceman and Gylippus.

Gylippus, who has been maintaining remarkably consistent form for Mrs. Richard Pitman throughout the season, won as he pleased at Leicester last week, and he could become favourite.

Yesterday at Ascot, Sunyboy returned to a noisy reception after he had given National Hunt racing's most popular owner, the Queen Mother, her 300th success.

TV/Radio

† Indicates programme in black and white.

BBC 1

7.05 a.m. Open University. 9.41 For Schools, Colleges. 12.15 p.m. On The Move. 12.45 News. 1.00 Pebble Mill. 1.45 Trumpton. 2.00 You and Me. 2.15 For Schools, Colleges. 3.30 The 60 70 80 Show. 3.58 Regional News (except London). 4.00 Play School. 4.25 The Wombles. 4.30 Jackanory. 4.45 Blue Peter. 5.10 John Craven's Newsround. 5.15 Charlie Brown. 5.40 Ivor the Engine.
5.45 News.
6.00 Nationwide.
6.45 To-morrow's World.
7.10 Top Of The Pops.
7.40 Happy Ever After.
8.10 When The Boat Comes In.
9.00 News.
9.25 The Good Old Days.
10.10 Omnibus.
11.00 To-night.
11.35 Weather/Regional News.

All regions as BBC 1 except at the following times:

Wales—1.45-2.00 p.m. Chigley. 5.15-5.40 Bilidowcar. 6.00-6.45 Wales To-day. 6.45-7.10 Heddiw. 11.35 News for Wales.

Scotland—9.41-10.01 a.m. For Schools. 6.00-6.45 p.m. Reporting Scotland. 11.35 Scottish News Summary.

Northern Ireland—3.58-4.00 p.m. Northern Ireland News. 6.00-6.45 Scene Around Six. 11.35 Northern Ireland News.

England—6.00-6.45 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South West (from Plymouth).

BBC 2

6.40 a.m. Open University.
11.00 Play School.
5.00 p.m. Open University.
7.05 Avventura.
7.29 Weather.
7.30 Newsday.
8.10 Worldwide.
9.00 Mid-week Cinema: "The Fixer," starring Alan Bates and Dirk Bogarde.
11.05 Film Night: James Mason in conversation with Tony Bilbow.
11.30 Newsnight.
11.45 Closedown: John Westbrook reads "Hard Cheese," by Justin St. John.

LONDON

9.30 a.m. Schools Programmes. 12.00 The Laughing Policeman. 12.10 p.m. Mister Trimble. 12.30 Perfect Pets. 1.00 First Report—News, FT index. 1.20 Lunchtime To-day. 1.30 Crown Court. 2.00 Good Afternoon. 2.30 Couples. 3.00 Moody and Pegg. 3.55 General Hospital. 4.35 The New Land. 5.20 Indoor League Championship of Champions.
5.50 News from ITN.
6.00 To-day.
6.35 Crossroads.
7.00 The World At War.
8.00 This Week.
8.30 Bless This House.
9.00 Clayhanger.
10.00 News.
10.30 Thursday Star Movie: "The Amorous Adventures of Moll Flanders," starring Kim Novak and Richard Johnson.
12.40 a.m. Behind The Answers.

All ITV regions as London except at the following times:

ANGLIA

1.25 p.m. Anglia News. 2.00 Women Only. 4.25 The Romper Room. 4.55 Spiderman. 5.20 The Geordie Scene. 6.00 About Anglia. 6.20 Arena. 7.00 Six Million Dollar Man. 10.30 The Inheritors. 11.30 Living and Growing for Adults. 12.10 a.m. Your Music at Night.

ATV MIDLANDS

1.20 p.m. ATV Newsdesk. 4.25 Feature Film: "Smuggler's Island" starring Jeff Chandler. 6.00 ATV Today. 7.00 Space 1999. 10.30 Columbo. 11.55 Eric Delve.

BORDER

*1.20 p.m. Border News. 2.00 Women Only. 4.25 Lassie. 4.50 Return to the Planet of the Apes. 5.20 Indoor League Championship of Champions. 6.00 Border News and Lookaround. 7.00 The Six Million Dollar Man. 10.30 Not for the Nervous: "Night Slaves." *11.55 Border News Summary.

CHANNEL

1.20 p.m. Channel Lunchtime News and What's On Where. 4.25 Children's Matinee: "Clarence, the Cross Eyed Lion." 6.00 Channel News. 6.10 Adventures of the Seaspray. 10.30 Inner Space. 11.00 Chopper One. 11.30 News and Weather in French.

GRAMPIAN

1.25 a.m. Grampian News Headlines. 2.00 Women Only. 4.25 Tarzan. 5.20 Return to the Planet of the Apes. 6.00 Grampian Today. 7.00 The Six Million Dollar Man. 10.30 Sportscall. 11.30 Police Surgeon. 11.40 Evening Prayers.

GRANADA

1.20 p.m. This is Your Right. 4.25 The Flintstones. 4.50 Survival. 5.15 Dodo. 5.20 Crossroads. 6.00 Granada Reports. 6.30 Command Performance. 7.00 The Six Million Dollar Man. 10.30 Good Health. 11.25 Kung Fu. †12.10 a.m. Silents Please.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Women Only. 2.30 Couples. 4.25 Tarzan. 5.20 Daily Fable. 5.25 Crossroads. 6.01 Report West. 6.18 Report Wales. 6.35 The Best in the West. 7.05 Six Million Dollar Man. 10.30 Trash or Treasure. 11.00 Police Story.

HTV Cymru/Wales—As HTV General Service except 1.20-1.25 p.m. Penawdau Newyddion Y Dydd. 4.25-4.50 Bic Yn Y Byd . . . ? 4.50-5.20 King Kong. 6.01-6.18 Y Dydd. 6.35-7.05 Sports Arena.

HTV West—As HTV General Service except 1.20-1.30 p.m. Report West Headlines. 6.18-6.35 Sport West.

SCOTTISH

1.25 p.m. Road and Weather Report. 2.00 Women Only. 4.25 Tarzan. 5.20 The Bark Family. 6.00 Scotland Today. 6.30 Larry Looks Lightly. 7.00 Six Million Dollar Man. 10.30 Late Call. 10.35 The Collaborators.

SOUTHERN

1.20 p.m. Southern News. 2.00 Women Only. 4.25 Tarzan. 5.20 Sinbad Junior. 5.25 Crossroads. 6.00 Day By Day. 6.35 Survival. 7.00 Six Million Dollar Man. †10.30 The Late Thursday Film: "Intent to Kill," starring Richard Todd, Betsy Drake and Herbert Lom. 12.05 a.m. Southern News Extra.

TYNE TEES

9.25 a.m. Starting Point. 1.20 p.m. Lunchtime News and Lookaround. 2.00 Women Only. 4.25 Lassie. 4.50 Return to the Planet of the Apes. 5.20 Tell Me Why. 6.00 Today At Six. 7.00 Six Million Dollar Man. 10.30 The Streets of San Francisco. 11.35 Epilogue.

ULSTER

1.20 p.m. Ulster News Headlines followed by Lunchtime. 4.23 Ulster News Headlines. 4.25 Born Free. 5.20 Indoor League. 6.00 UTV Reports. 7.00 Six Million Dollar Man. 10.30 Let's Play Bridge. 11.00 What's It All About.

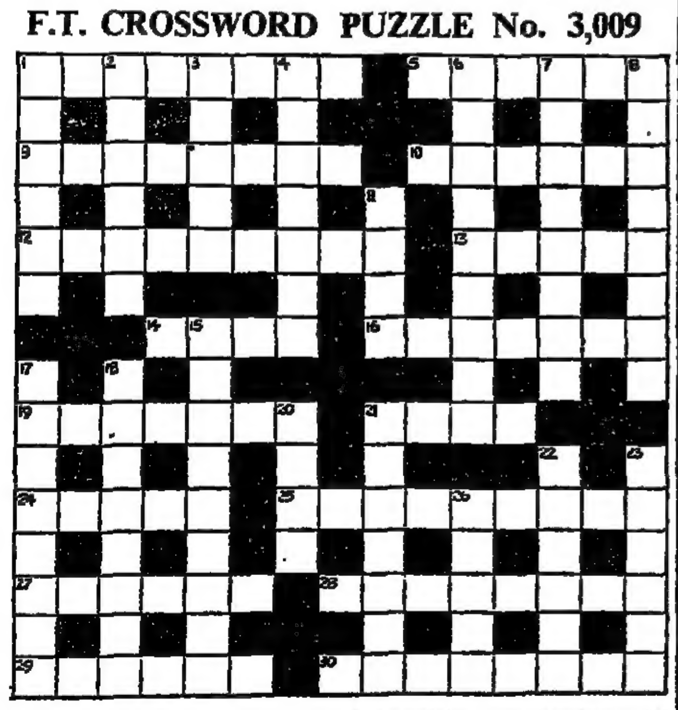
WESTWARD

12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 4.25 Children's Matinee: "Clarence The Cross Eyed Lion." 6.00 Westward Diary. 7.00 Six Million Dollar Man. 10.30 Westward Report. 11.00 Chopper One. 11.30 Westward Late News. 11.33 West Country Job Finder. 11.40 Faith for Life.

YORKSHIRE

1.20 p.m. Calendar News. 4.25 Lassie. 4.50 Return to the Planet of the Apes. 5.20 Indoor League Championship of Champions. 6.00 Calendar. 7.00 The Six Million Dollar Man. 10.30 Emmerdale Farm. 11.25 A Matter for Concern.

F.T. CROSSWORD PUZZLE No. 3,009



ACROSS

1 Stand for the rest of the puffers (4,4)
5 No rodent by the way (6)
9 It's a programme of course (4,4)
10 Old coin puts Florence right at home (6)
12 He has responsibility of course for cowboy (9)
13 Why literally a church goes to West-end by boat (5)
14 Resolution in Shakespeare's name (4)
16 Cry late but surviving demand (7)
19 Severely criticise expert article offering remedy (7)
21 Measure taken to back favourites (4)
24 Restful lapidary inscription on Yorks town (5)
25 Rose is on horseback and winning (7,2)
27 What Hornblower did as well to Mr. Heath (6)
28 Beauty treatment settled on the nail (8)
29 Carnival makes it safe to scramble (6)
30 Changed sides with failing editor (8)

DOWN

1 Founder says for each one to keep quiet (6)
2 Ship making a lot of money (6)
3 Grand Prix driver is member of motor club (5)
4 Sweet of accountant to bump into the Spanish (7)
6 Complaint producing ill-feeling (9)
7 Traitor to the revolution by habit (8)
8 "In the Spring time the only pretty ——" (AYLI) (4,4)
11 Bet it's part of American territory (4)
15 Together in Chinese capital backing sure thing (2,7)
17 Drink can be made from pear if it is broken up (8)
18 Unannounced test of opinion during break (4,4)
20 Charity from an old railway company (4)
21 Something to eat according to South African custom (7)
22 Notice precisely how to be adaptable (6)
23 Hang on—there's a very quiet conclusion (6)
26 Moment spent in making t'pudding (5)

Solution to Puzzle No. 3,008

RADIO 1 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Simon Bates. 9.00 Tony Blackburn. 12.00 Johnnie Walker including the new Top 20 LPs. 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also on VHF). 4.30 It's D.L.T. 5.45 Newsbeat. 6.02 Sam Costa (S) (joins Radio 2). 11.00 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2 1,500m and VHF

6.00 a.m. News Summary. 6.02 Colin Berry (S) including 6.15 Pause for Thought. 7.02 Terry Wogan (S) including 8.27 Racing Bulletin. 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House (S) including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.55 p.m. Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1 but including on 1500m only (also 202m Scotland). 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 Sam Costa (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Support Your Local. 7.30 Folk 76 (S). 8.02 Folkweave (S). 9.02 Wally Whyton's Country Club (S) including 10.02 Sports Desk. 11.02 Don Durbridge with The Late Show (1500m only, also 202m Scotland, VHF joins Radio 1). 12.00-12.05 a.m. News.

RADIO 3 464m, Stereo & VHF

† Medium Wave only

7.00 a.m. News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert: Rossini, Mozart, Haydn (S). 9.00 News. 9.05 This Week's Composer: J. C. Bach (S). 9.45 Composer's Portrait (S). 10.45 Thomas Igloi Cello Recital (S). 11.35 City of Birmingham Symphony Orchestra, part 1: Webern, Mozart (S). 12.15 p.m. Interval Reading. 12.20 Concert, part 2: Dvorak. 1.00 News. 1.05 Manchester Midday Concert [illegible] 2.00 King's Lynn Festival [illegible] 2.45 In Short (talk). [illegible] 5.25 Paul [illegible] 5.45 Homeward Bound. [illegible] 6.10 Homeward Bound (continued). 6.30 [illegible] The Wider World. 7.20 [illegible] Piano concert (S). [illegible] Third Symphony (S). 9.50 Drama Now (S). 10.55 Chopin (S). 11.25-11.30 News.

Radio 3 VHF only—6.00-7.00 a.m. and 5.45-7.30 p.m. Open University.

RADIO 4

434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer for the Day. 6.45 Today including 6.50 VHF Regional News. 6.55 Weather, programme news. 7.00 News and more of Today including 7.27 Sportsdesk. 7.35 Today's Papers. 7.45 Thought for the Day. 7.50 VHF Regional News. 7.55 Weather, programme news. 8.00 News and more of Today including 8.27 Sportsdesk and 8.35 Today's Papers. 8.45 Yesterday in Parliament. 9.00 News. 9.05 Those You Have Loved. †10.00 News. 10.15 From Our Own Correspondent. 10.30 Daily Service. †10.45 Morning Story. †11.00 News. †11.05 Mr. and Mrs. Parkinson. †11.30 Odds Against. 12.00 News. 12.02 p.m. You and Yours. 12.27 [illegible] (S). †12.55 Weather and programme news. VHF (except London and SE) Regional News. 1.00 The World at One. 1.30 The Archers. 1.45 Woman's Hour (S) from 2.00, including 2.00-2.02 News. 2.45 Listen with Mother. 3.00 News. 3.05 Afternoon Theatre (S). 3.50 Jack de Manio Precisely including 4.00-4.05 News. 4.35 Story Time. 5.00 PM Reports. †5.50 Financial Report. VHF Regional News. 5.55 Weather, programme news. 6.00 News. 6.15 Just a Minute. 6.45 The Archers. 7.00 News Desk. 7.30 Any Answers? 8.00 Something to Declare. 8.45 Analysis: The Prime Minister, Rt. Hon. Harold Wilson, MP, in conversation. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.45 A Book at Bedtime. 11.00 The Financial World Tonight. 11.15 Today in Parliament. 11.30 News.

For Schools (VHF only)—[illegible] and 2.00-3.00 p.m.

BBC Radio London

206m and 94.9 VHF

[illegible]

London Broadcasting

261m and 97.3 VHF

[illegible]

Capital Radio

194m and 95.8 VHF

[illegible]

ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. 01-836 3161. ENGLISH NATIONAL OPERA. Tonight 7.30 The Rhinegold. Tomor. 7 Der Rosenkavalier. Sat. & Wed. 7.30 Tosca. Tue. 5.30 The Valkyrie.

COVENT GARDEN. 240 1066. THE ROYAL OPERA. Tonight & Tue. 7.30: Cavalleria rusticana, Pagliacci. Tomor., Mon. & Wed. 7.30: La clemenza di Tito. Seats available except Tonight. THE ROYAL BALLET. Sat. 2 and 7.30: La Fille mal gardée. Seats available Sat. 2. 65 Amphitheatre seats for sale from 10 a.m. on day of performance.

SADLER'S WELLS TH. Rosebery Ave. EC1 837 1672. (Recorded bkg. inf. 278 5450). Until March 20. Evs. 7.30. Mats. Weds. & Sats. 2.30. D'OYLY CARTE in GILBERT & SULLIVAN. Tonight, tomor., Sat., Mon., Tues. & Wednesday: The Gondoliers. Seats available from 50p-£2.50.

THEATRES

ADELPHI THEATRE. 01-836 7611. Evgs. 7.30. Matinees Thur., Sat. 3.00. VIRGINIA McKENNA, JOSS ACKLAND. A LITTLE NIGHT MUSIC. BEST MUSICAL OF 1975 Awards. Seats available for Matinee today.

ALBERY. 836 3878. Evenings 8. SATURDAYS at 4 and 8.15. Best performance by an Actress. Evening Standard Award. DOROTHY TUTIN, TIMOTHY WEST, DEREK JACOBI, JOHN TURNER. A MONTH IN THE COUNTRY. "AN ECSTATIC EVENING." Sun. Tel.

ALDWYCH. 836 6404. Inf. 836 5332. Royal Shakespeare Company. Evenings 7.30. Matinees 2.0). Tonight, Feb. 23 & 26 HENRY IV PART I. Tomor., Feb. 24 & 27 HENRY IV PART 2; Sat. (mat. & eve.) & Feb. 25 HENRY V. RSC also at ROUND HOUSE—See R.

AMBASSADORS. 836 1171. Evgs. 8.00. Mats. Tues. 2.30. Sat. 5.30, 8.30. HAPPY AS A SANDBAG. THE WONDERFUL HIT MUSICAL. "Delightful. Don't miss it." Dly. Exp.

APOLLO THEATRE. 437 2663. Last 4 Weeks—must end March 13. RONALD PICKUP in The Award-winning comedies by ALAN AYCKBOURN. THE NORMAN CONQUESTS. [illegible]

GLOBE. 01-437 1592. Evenings 7.30. Matinee Wed., Sat. 3.0. LAST 2 WEEKS. JUDI DENCH, IAN McKELLEN, ANNA CALDER-MARSHALL in TOO TRUE TO BE GOOD by Bernard Shaw.

GREENWICH. 858 7755. Evenings 8.0. Mat. Sat. 2.30. VIVIEN MERCHANT, CONSTANCE CHAPMAN in LOVE'S OLD SWEET SONG. Last week. From Feb. 27: THE BELLS.

HAYMARKET. 930 9832. Evenings 8.0. Mat. Wed. 2.30, Sat. 5.0 and 8.15. Edward Woodward, Geraldine McEwan, Jennie Linden, Edward Hardwicke in Frederick Lonsdale's ON APPROVAL. "You should rush to see it." Dly. Tel. "It got my approval." Ev. News. "An evening of comic delight." Harold Hobson, Sunday Times.

HER MAJESTY'S. 930 6606. Evgs. 8. Mats. Wed. 2.30. Sat. 5.45 and 8.30. The New Hit African Musical IPI TOMBI. "PULSATING MUSICAL." Evg. News. No Perfs. Wed. next as Cast on BBC-TV.

KING'S ROAD THEATRE. 352 7488. Mon. to Th. 9.00. Fri., Sat. 7.30, 9.30. THE ROCKY HORROR SHOW. "BEST MUSICAL OF THE YEAR." Evening Standard Drama Award.

LYRIC IN REPERTORY. 01-437 3686. Tel., thr., Mon., Tues., Wed. 8.0. Sat. 5.0 & 8.30. Mat. Wed. 3.0. JOAN PLOWRIGHT, HELEN MIRREN, JOHN MOFFATT, FRANK GRIMES. THE BED BEFORE YESTERDAY. Thur. Feb. 26 to Wed. Mar. 3 THE SEA GULL.

MERMAID. 248 7656. Food 248 2835. Evenings 8.15. Mat. Fri. and Sat. 5.15. RICHARD BECKINSALE is "side-splittingly funny." D. Mail in FUNNY PECULIAR. "Mike Stott's exceptionally fine vastly entertaining, brilliant comedy." S. Times. "More good laughs than any other play in London." Observer. 3-COURSE DINNER AND SHOW £5.95.

OLD VIC. THE NATIONAL THEATRE. 928 7616. Previews Ton't, Tomor & Mon. 7.30. Sat. 2.15 & 7.30. Opens Tues. 7. Wed. 7.30. WATCH IT COME DOWN by John Osborne. Some seats held for sale day of performance from 10 a.m.

PALACE. 437 6834. Mon. to Th. 8.00. Fri., Sat. 6.0 and 8.40. JESUS CHRIST SUPERSTAR.

STRAND. 836 2660. Evenings 8.00. Mats. Thurs. 3.00. Sats. 5.30 and 8.30. Doris Hare, McDonald Hobley, Arthur Howard, Barry McGinn. NO SEX PLEASE, WE'RE BRITISH. Directed by Allan Davis. LONDON'S LONGEST LAUGH. 5th YEAR.

TALK OF THE TOWN. 01-734 5051. From 8.15 Dining and Dancing. At 9.30 New Revue SWEET TEMPTATION and at 11 p.m. PETERS AND LEE. Opens March 1 LENA MARTELL.

THEATRE ROYAL, STRATFORD E.15. 01-534 0310. Evenings at 8.0. C. G. BOND'S JUDGE JEFFREYS. "EVERY DETAIL OF BRUTAL CRUELTY AND SEXUAL OUTRAGE THAT CAN GIVE PLEASURE TO DEPRAVED AUDIENCES." Harold Hobson, Sunday Times.

VAUDEVILLE. 836 9988. Evgs. at 8.00. Mats. Tues. 2.45. Sat. 5.00 and 8.00. Margaret LOCKWOOD, Paul DANEMAN and Barrie INGHAM. DOUBLE EDGE. "IT IS FAR AND AWAY THE BEST THRILLER IN TOWN." Punch.

VICTORIA PALACE. 834 1317. Evgs. 8.00. Wed., Sat. 6.00 and 8.45. MIKE YARWOOD. BOOK NOW—Must end Feb. 28. Special reductions and concessions—apply Box Office.

WEMBLEY EMPIRE POOL. 902 1234. Mon. to Fri. 7.45. Mats. Mon., Tue., Wed., Thur. at 3. Sats. 2, 5 & 8. MUSICAL SPECTACULAR ON ICE. DICK WHITTINGTON. Children and OAP half-price except Sat. Ample parking. Pay at doors. LAST 2 WEEKS. Must end Feb. 28.

WHITEHALL. 01-930 6692-7765. Evenings 8.00. Sat. 6.45 and 9.00. PAUL RAYMOND presents Britain's No. 1 Sex Symbol FIONA RICHMOND in COME INTO MY BED.

WINDMILL THEATRE. 437 6312. PAUL RAYMOND presents LET'S GET LAID. Twice nightly at 7.00 and 9.00. 2nd SENSATIONAL YEAR.

WYNDHAM'S. 836 3028. Evenings at 8. Sats. 5 and 8.15. Mats. Wed. at 3. JIMMY JEWEL in COMEDIANS. By Trevor Griffiths. "The most exciting play in London." Sun. Times. Transfer from The Old Vic.

YOUNG VIC. MACBETH, CHARLEY'S AUNT, OTHELLO, FANTASTIC FAIRGROUND, ALL WALKS OF LEG AND JOHN LENNON.

[illegible]

CINEMAS

[illegible]

CINEMAS ARE CONTINUED ON PAGE 15

هكذا في الأصل

Juan Gris: Portrait of Maurice Raynal, 1911.

'is exhibitions

The Bateau-Lavoir

by MICHAEL PEPPIATT

history of what went on e ramshackle building up ontmartre known as the eau-Lavoir" includes the decisive artistic develop- of the first decade and of the century. By means me very fine paintings, ures, photographs, letters ther documents, its unique- has been brought wonder- to life in an exhibition at Musée Jacquemart-André March 5).

studios that made up the u-Lavoir's three creaking, brious floors housed not Picasso and Juan Gris, but liani, Herbin and Van n (to name the best), and two of the great of the age: Max Jacob and Reverdy. Many of the leading artistic figures, Braque to Apollinaire, spent deal of time there, and putation soon acted like a t on the dealers. Vollard Uhde, Shchukin and, of , Kahnweiler, were regular s. And Gertrude Stein, so to see Picasso's importance o collect his works, was ed as a friend.

brilliance and inventive- of the work done at the -Lavoir—which reached a n 1907, when Picasso com- his *Demoiselles d'Avignon* a background of quite con- ble misery. From the and contemporary descrip- of the building's labyrin- insides, there arises a con- penetrating smell of cats her people's cooking. The wooden walls ensured that vate life was public, and temperatures seemed to have reached rare extremes of discomfort. Fernande Olivier, who was living there with Picasso, recalls that while the heat in summer obliged everyone to go about more or less naked, the winter cold made the tea freeze in the cups. Yet, even when the rain came in and food was scarce, the inmates' appetite both for work and for fooling around appears to have been undiminished.

One of the high points of life at the Bateau-Lavoir while Picasso stayed there (1904-09; though he kept on a studio until 1912) was the banquet organised in honour of the Douanier Rousseau. Jarry, then Apollinaire, had made it their business to get the Douanier's painstaking "realism" as widely admired as possible. Thus the Douanier became one of "Picasso's crowd," as the building's inhabitants and their friends were generally known. This particular favour does not seem to have surprised the Douanier at all.

"We're the two greatest," he confided to Picasso, "you in the Egyptian style, me in the modern style." Accounts of the famous banquet, given in Picasso's studio, differ in virtually every detail. Maurice Raynal, the critic, talks of dealers from New York and San Francisco, the fact that Picasso had ordered the food for the wrong day, and the intensity with which the Douanier played waltzes on his violin to get the ladies dancing. Gertrude Stein, on the other hand, remembers two of the guests as having been seized by a fit of delirium tremens; one of them, the poet André Salmon, has hastened to point out that the whole thing was a joke, made credible by their having chewed some violet soap. Whatever happened, and even if there was more buffoonery than respect, the Douanier Rousseau enjoyed the evening as a friendly tribute.

These anecdotes, gleaned from photographs and memoirs, ultimately derive their interest from the work that was being produced at the same time. The Musée Jacquemart-André had made an admirable selection that includes five paintings by Braque (notably *Tête de Femme* of 1909, and *Paysage de Montmartre*, 1910), 11 by Picasso (four of them studies for the *Demoiselles d'Avignon*), and six Gris (the *Portrait of Maurice Raynal* among them). Most of the other inhabitants of the Bateau-Lavoir are represented, and there is a fascinating sculpture section—with work not only by Derain, Gargallo, Modigliani and Picasso, but also a number of the African masks and statuettes that influenced them.

For all its 370 items, the exhibition remains light and unpedantic. It has been organised by Jeannine Warnod (whose father, André Warnod, was an habitué of the Bateau-Lavoir). Madame Warnod has also brought out a book on the subject (*Le Bateau-Lavoir*, published by Les Presses de la Connaissance, Paris), which fills in a great many gaps in one's knowledge of the period.

tival Hall/Radio 3

lti's Beethoven by MAX LOPPERT

y age gets the Beethoven eters it desires — or es. Tuesday's London rmonic Orchestra concert Beethoven First and Ninth onies was conducted by Sir Solti, one of the leading tors of the day, among the few with both strong l views and the technical h of will to communicate through an orchestra, to ience. What was interest- out the concert was not its relative levels of success ure, in performance and ing; for, apart from the iffs that prove even so gh an orchestra as the be human, the perform- and the playing were, of nd, peerless. But the vital, , resolute, whole account 1, followed by a Ninth ely not the sum of its lous parts, made one want eralise about an age that to the iconoclastic, dis- ingly lively good humour early work, while failing the key to the spiritual of the late.

ralisations are dangerous ck retort to the above e that Solti is not to-day's Beethoven conductor— in many ways he is the one); and, in any case, ws of both performances modification. The wholly ble First was admirable y because in the playing was relish of its false the gruff, misleading that tail off as suddenly begin, the sudden land- exotic keys, promoted ll the vigour and the e spring that have always among the conductor's easurable qualities.

e high point of the final right at the end of the came a touch of the old brilliance, here not the point, in any case nished. Strings slightly focus at the very begin- lped to place in perspec- heir warmth, resilience and variety of colour thereafter.

Then the Ninth, thrilling in parts, incoherent as a whole. Most thrilling was the choral movement, paced from its first bars, and building through all the dramatic incidents, with a mastery of theatrical tension desirable in an opera conductor and found in very few. The presence of slightly underweight soloists (Robert Tear and the cool-toned, impeccable, not soaring soprano of Christiane Eda-Pierre failing to counter-balance Helen Watts and Gwynne Howell) mattered less than the elemental splendour of sound as all the forces came together, with a fierce gusto warmed by humane vitality. The chorus, licked by John Alldis to new smartness of attack and blend, sang with unusual ease.

But the movement, far from seeming the inevitable outcome of those previous, felt unrelated to them—a theatrical *tour de force* complete in itself. Of the other movements in relation to each other, the same could be said. In the Adagio, ravishingly played sections—eloquent horns, doubled wind perfectly held in place—felt not to relate even within the movement. Nothing was cumulative, nothing released. In the Scherzo, the cross-rhythms were immaculately in place, waiting to be touched off into another dimension. "Another dimension" is what was missed throughout the performance; what that dimension might be could only be guessed at by drawing on memories of Furtwängler and Toscanini records (so different, yet both discovering new worlds).

Queen's

Otherwise Engaged

Michael Gambon has taken over the part of Simon Hench, Simon Gray's hero, from Alan Bates, and it comes out quite different. Alan Bates's detachment was elitist; he was a man so conscious of his superiority over the aggressors coming at him from so many directions that he merely played with them until he wished them to go. Mr. Gambon's detachment is defensive. The seemingly irrelevant questions he constantly asks, picking them up from trivial details in important statements, are his weapon in the fight to keep people away. He is untidy in dress and in deportment; see how unwilling his eyes are to meet the eyes of the people he is dealing with.

This change of personality certainly does no damage to the play, where the relationships all work as convincingly as ever and the laughs come as fluently as they did before. But it does somewhat change the colour of the play's conclusion, with its sudden pile of misfortunes. The defection of Simon's wife, the suicide of his former schoolfellow, the incursion of squatters into the top-floor flat, such things would not have distressed the Alan Bates Simon overmuch because he could have shrugged them off once he had taken their measure and overcome them if he had felt like it. But for Mr. Gambon's Simon they are genuinely disastrous.

Michael Codron, the management responsible for *Otherwise Engaged*, seldom gives us a West End production without a well-known star in it. The choice of Michael Gambon, hitherto admired but not well-known, is a breakthrough that should please other people besides Mr. Gambon.

B. A. YOUNG

Record Review

Norma • Ballo

by MAX LOPPERT

Bellini Norma. Caballé, Cossotto, Domingo, Raimondi/LPO/Ambrosian Op.Ch./Cillario. 3 discs in box. RCA SER 5658/60 (£8.97).

Verdi Un ballo in maschera. Domingo, Arroyo, Cappuccilli, Cossotto, Grist/NPO/Covent Garden Ch./Muti. 3 discs in box. EMI SLS 984 (£9.50).

It always comes as something of a shock that an opera as readily admired and loved as Bellini's *Norma* should be so difficult to perform with due greatness. Yet the demands of the opera (in many ways the first great Romantic re-awakening of *opera seria*) are unremittingly great. From all its players, instrumental and vocal, it wants grandeur of style, quite as much as any Gluck *tragédie lyrique*, and even less than Gluck that marmoreal weightiness of tempo and stage manner with which operatic grandeur is so often confused.

From its heroine—stamina unstinting, mastery of all the bel canto arts and the infinite variety of Bellini's recitative, and, fusing these, a temperament that embraces Medea's fury and Alcestis' selfless sublimity. It also calls for greatness in its conductor, a demand least often satisfied. *Norma* is thought of as the singers' opera of operas, and so it is; but its need for a conductor to unite their gifts and Bellini's simple, perfectly judged orchestral and choral timbres into large, majestically composed structures is equally pressing. The great Normas are remembered, not the great *Norma* conductors; yet without the latter, only parts will be rendered effective, not the nobility of the sum.

Book Reviews appear on Page 29

These thoughts are prompted by the RCA recording of the opera (made in 1972, only recently released in this country). It is cast at to-day's full strength — its heroine, in particular, is currently the leading performer of the part, and the Adalgisa and Pollione have few rivals. Because of Carlo Felice Cillario's superficially competent, uninspired, musically unappreciative conducting, it makes far less than the expected impact—only a partial, never a whole experience such as one might come away with after a much less glamorously cast performance. The issue is enjoyable, admirable in some of its details. It should have been much more than that.

The Overture makes a good, as well as the obvious, starting-point from which to place the conductor's lack-lustre handling of a fine orchestra. It is a fine orchestra we hear through the hollow, slightly ill-focused recording—strings solid and lustrous, wind and brass firm and well-blended. Throughout there is little evidence that the players have been asked to pay close attention to Bellini's markings, to the *sensible, con grande espressione* and particularly the *con legerezza* of the radiant major-key close. Flutes duetting in thirds are not encouraged to phrase together, "vocally," to give the foretaste of the conjunction of soprano voices that is one of the opera's greatest pleasures. There is sometimes a hint of *banda* sound that is not the LPO's and need not be Bellini's. A pulse basically firm enough in delineation and accent to accommodate flexible phrase-shaping is missing. The music sounds undistinguished.

Nowhere else can the same charge be made; but as the final act moves towards its exalted conclusion, the want of majesty, of any sense of numbers linked in a growing progression towards climax, is serious. Not that Montserrat Caballé does not herself radiate poignant nobility of utterance, and rapt beauty of tone, as she prepares to mount the pyre. These are vocally and dramatically, her finest moments. The edginess that has marred some of the big outbursts earlier is gone, the tone shines with luminous purity, the phrasing is god-like in breadth. Unfortunately, it is she among the cast who most needs the conductor's strong rhythmic underpinning. When that is denied her, an un-Norma-like vagueness is sometimes the result. In the big duet with Pollione, the phrase "Adalgisa fia punita," that should be propelled by the ferocious motor energy of those rising trills, she fractionally but characteristically loses her way (and the trills are no more than flutters). Words, generally clearer than in other Caballé performances, seldom fix or clarify the music.

Much the most pleasing parts of the set are the duets of the two priestesses. Caballé and Fiorenza Cossotto are clearly and closely "together," as singers and actresses; the mezzo refines the naturally twiny, resinous strength of her timbre into a line of long, delicate, gentle poise. Virginal sweetness is not, one suspects, easily part of her makeup, yet except for some belted top notes, which both spread and cut, her manner is beautifully adapted to the more reflective, expansive art of the soprano.

The opera has, in sum, lost something of its stature, very little of its purely vocal pleasures. Domingo is a fiery-toned Pollione, seldom specific in pointing character, always musically secure, often making a splendid sound. Oroveso is Ruggero Raimondi, less sonorous than the fine dark focus of his voice should permit. The small parts are well taken. The Ambrosian Chorus, lacking inspired direction, sounds its usual capable, uncommitted, non-operatic self. The score followed is basically Ricordi, rather than anything fuller (this means, mainly, that Adalgisa misses her crack at the tune of the Trio: "Ah! si, fa core" loses a repeat; and the "Guerra!" Chorus is, most damagingly, without its *maggiore* close, imitative of, and as beautiful as in, the Overture).

"Could do better," to be schoolmasterly about a disappointment. I prefer this *Norma* to Decca's, with Sutherland far vaguer than Caballé, and Bonynge an even less potent conductor; not to the Callas sets, at present unavailable. Perhaps it was originally the order of playing on my turntable, the new *Masked Ball* after *Norma*, that lent the Verdi an even stronger charge of electricity in its conducting than it might ordinarily possess. Even after several complete hearings, however, the bright, decisive energy of Riccardo Muti, his ability to draw from his own London orchestra playing of lively freshness, gleam and also elegance, came in Verdi's Prelude as happy contrast. Later on in the performance, some of Muti's decisions can be disagreed with: he chivvies his hero in the first aria, with little room for romantic meditation; the trio of conspirators, even more at its repeat with Amelia soaring above, licks along at a pace Toye would have found Gilbertian—comic. Mostly, however, the conductor's vitality, joined to a clear, direct, never un-loving grasp of the opera, brings dramatic momentum, a feeling of theatre, a special combination of youth and sensitivity, to this most loveably theatrical of Verdi's operas.

It is Muti who confers distinction on a set well but not remarkably cost, with Domingo and Cossotto again (and Kenneth Collins, Flavio in *Norma*, here the Judge); the tenor, Piero Cappuccilli, Reri Grist and the Covent Garden Chorus represent the 1974 Covent Garden production. (Strange that those dour Swedish settings should be so carefully pictured in the programme book, when the conductor returns the recorded performance to Boston.) With the possible exception of Cossotto, breathing tremendous power and baleful majesty into Ulrica's predictions, none of the participants outshines individual performances on previous *Ballo* recordings—an opera that, with Toscanini, Callas-Gobbi, and two versions of the Bergonzi Riccardo, has been notably lucky on the gramophone. What is offered here is, instead, the sum of a cast of equals, forged into a performance by the conductor.

Domingo is again (when is he not?) strong, secure and free on top, less charming than at the last two Royal Opera performances, again just a little lacking in individuality—so prolific a recorded singer seems not to communicate the fullness of his stage personality to disc. As Renato, Cappuccilli, seldom touching the listener, impresses him with the dark firmness of his tones. Miss Grist is a sparkling page, disguising her wiriness and loss of vocal fullness with perky, spirited phrasing. A slight disappointment is Martina Arroyo's Amelia: there seems, as so often, a disconcerting gap between the promise of those beautiful, rich, full tones, and the buttoned-up performance they produce. She soars in some phrases, clips others, never dramatically—except at the climax of the first aria—quite fills any. Good support from Sam and Tom (Gwynne Howell, Richard Van Allan); Silvano tremulous and characterless; excellent chorus. I have enjoyed this performance greatly—not more than Toscanini's *hors concours* in this opera), or than the unavailable Columbia set with Callas and Gobbi on best form; but almost as much.

Soho Poly

The Rivers and Forests

Dog bites man on park bench. Such *is* the incidental spark of this enthralling short play by Marguerite Duras that dates from 1965. One's, or rather my, resistance to the frail Gallic philosophy spouted by Mme. Duras' characters on the brink of cataclysmic emotional breakdown is always dented by the artfulness of the writing and, it must be said, the consistently excellent translations of Barbara Bray.

As usual, this dramatist does not fail to establish a vision of decline in a context of the actual experience of the characters. The lady with the dog has much to tell us of a marriage to a centenarian and her physical disintegration ("I lost my standard ugliness and entered the general category")—although Kate Beswick suggests, in appearance, and probably in accord with Mme. Duras' wishes, the she is better off for that; the bitten man (James Leith) embarks on a crazed confession of inadequacy and stagnation, slobbering like a cross between John Cleese in *Fawlty Towers* and Raskolnikov in *Crime and Punishment*—it is a tricky passage, well-handled; the third character (Jane Briers), unlike the others, has no secrets, little mystery and a lot of colourful small-talk. There is play made of respective identities and a romantic recollection of a tango in the South. The trio decides *not* to take a taxi to "anywhere."

So we remain in Paris, by the pedestrian crossing, the scene of the meeting nicely illustrated in Sarah Paulley's serviceable design of bench, gravel and tree. The man's insistence that life should be lived for the present, without a backward thought, is a futile imperative as the past comes rushing back. But like the rivers and the forests, he suggests, be constant, present, everything and nothing. Impossible claptrap, beautifully phrased, but totally discredited by the pulsating humanity of the random voyagers. The intelligent production is by Janet Henfrey

MICHAEL COVENEY

Oxford Playhouse

The Three Pintos

To commemorate the 150th anniversary of the death in London of Carl Maria von Weber, the Oxford University Opera Club is this year giving *Die Drei Pintos*, the unfinished comic opera arranged, completed and scored by Mahler. Sung in an English translation by Rodney Blumer, produced by Tom Hawkes, designed by Alix Stone and conducted by Michael Smedley, *The Three Pintos* can be heard at the Playhouse every night this week.

Weber worked on the score intermittently during 1820 and 1821; when he received the commission that was to result in *Euryanthe* he put aside the partly-written comic opera and did not return to it before his death less than five years later. Only seven out of 17 projected musical numbers were sketched and though the fragments were offered to various composers—chief among them Meyerbeer—to complete, nothing came of these attempts. Then, 60 years after the composer's death his grandson, Captain Carl von Weber, who was stationed in Leipzig, met the 26-year-old assistant conductor of the Opera: Gustav Mahler. It was a momentous meeting. Mahler became entangled in a love affair with the captain's wife; and in 1887 he accepted the task of turning the *Pintos* sketches into a viable score.

Carl himself provided a revised libretto (the original, by Theodor Hell, was based on a serial in the Dresden evening paper) which Mahler altered still further. Using some of Weber's songs and choruses to augment the fragments, Mahler fashioned a three-act opera of 21 numbers. The first performance, which he conducted himself, took place at Leipzig on January 20, 1888 before a distinguished audience that included Chaikovsky.

The score, though audibly a mixture of the mature Weber and the young Mahler, achieves an astonishing degree of stylistic unity; hearing it makes one regret more than ever that Mahler did not himself write an opera. The libretto as it now stands is no worse than a hundred other comic opera texts; translation and production alike carefully preserve the social distinction between the characters. The real Don Pinto is a boorish young man engaged to a girl he has never seen; Don Gaston, a perpetual student, takes over his identity and then passes it on to Don Gomez, who loves and is loved by Donna Clarissa.

Flu had struck the OUOC, so the performance was neither so fluent nor so well rehearsed as usual; on Tuesday the orchestra was particularly ragged. Among the singers Jacquelyn Fugelle makes a delightfully demure Clarissa who sings her beautiful aria—one of the original fragments—with some accomplishment. Richard Norton is a genial Don Gaston, his agreeable light tenor well suited to the music. Brian Parsons, the romantic tenor, also sings smoothly, while Anthony Shelley is an amusing Don Pinto. Helen Dixon, gallantly doubling as Inez and Laura, deftly characterises both girls and Glyn Davenport, despite a touch of flu plays and dances energetically as Ambrosio, Gaston's servant.

Later in the week performance by both singers and orchestra should be much improved.

ELIZABETH FORBES

Open Space

Dialogue between Friends

The Open Space's lunchtime entertainment consists of an argument about the merits of an imaginary theatrical production. The production is now over, the set is half struck, the management has lost its money, and on the stage assemble the leading actor and actress, an actor who has been a nuisance throughout, the author-cum-director, the impresario and a critic.

The author—the real-life author, that is—of the piece is Garry O'Connor. Garry O'Connor has been author, critic, assistant director if not director, and even manager in so far as he is on the Board of a new theatre soon to begin functioning in the Cotswolds. So what he has to put into the mouths of his stage author, director, manager and critic is drawn from life. But he has not, as far as I am aware, been an actor. I found that I could go along with what the critic and the author and the manager said, though I didn't always agree. The actors are another matter.

Two of them propound the idea that actors are entitled to do as they please with the author's words in order to gratify their own artistic convictions. The third, the nuisance one, reveals himself as a Trot and explains that the reason why he has made such trouble at rehearsals and in performance is because he despises the author for having betrayed the Socialist cause. Lots of my best friends are actors, but I am glad to say I don't know any who adopt either of these attitudes towards their work. Still, this isn't to say that there may not be such people.

Dialogue between Friends was first published in the Theatre Quarterly under the title *Acting, Ideology and the Politics of Performance*, and though Peter Watson, the director, has got his cast to add a layer of personality to their playing, it still sounds as if it were being read from the page. There are too many speeches beginning with such phrases as "Let us ask ourselves why," so that in the end we ask ourselves why the essay has been dramatised. One small point: the leading actor, to demonstrate an argument, shows how an actor pours wine into a glass. He should remember the immortal words of Somerset Maugham: "Always hold a woman by the waist and a bottle by the neck."

B. A. YOUNG

WORLD TRADE NEWS

Japan reverts to deficit despite higher U.S. exports

BY PETER DUMINY TOKYO, Feb. 18.

JAPAN'S BALANCE of payments showed the normal January deterioration—a current account deficit of $1bn. compared with a handy surplus in December, but a deficit of $1.2bn. a year ago. The most positive feature appears to have been an increase in exports to the U.S. which, however, made no impression on the aggregates.

Exports totalled $3.57bn., a drop of 1 per cent. compared with a year ago. Imports were down 3 per cent. at $4.1bn., giving an adverse trade balance for the month (before invisibles) of $560m.

The main impression given by these figures is that they contradict recent official hopes of a distinct recovery in Japan's exports. Only last week the Economic Planning Agency declared that the upturn which began in the fourth quarter would be cumulative.

Presumably the official reaction will be that one month's figures are notoriously unreliable as a guide to what is happening to foreign trade performance. Moreover, with seasonal adjustment, both exports and imports increased around 1 per cent. from December, which may be taken as an encouraging sign —though Finance Ministry officials often say the adjustment formula is throughly out-of-date and suspect.

The more solid ground for satisfaction is that shipments to the U.S. were 16.5 per cent. higher than a year ago at $901m. (CIF basis), thereby accounting for 25 per cent. of exports.

Meanwhile, there was also a 28.5 per cent. rise in exports to Britain ($108m. for the month), though imports from Britain fell 33 per cent. fro mthe year ago figure, to $56m. Exports to South Africa dropped 44 per cent. to $37m.

Toyota U.S. trucks move

TOKYO, Feb. 18.

TOYOTA MOTOR said it plans to expand production capacity at its wholly-owned U.S. subsidiary, Longbeach Fabricators, to meet growing U.S. needs for small trucks.

Longbeach Fabricators currently manufactures rear decks and assembles Toyota's one-tonne Hi-lux trucks with chassis imported from Japan. Toyota last year sold about 44,000 trucks of this type in the U.S. market.

Toyota said the Longbeach expansion plan is not associated with reported moves in the U.S. towards higher import duties on chassis for truck assembly there. Other Japanese car makers, including Nissan Motor and Toyo Kogyo, are considering plans to raise local contents of their trucks assembled in the U.S. on a knockdown formula, industry sources report. Reuter

S. Africa tightens forex rules

BY JOHN STEWART CAPE TOWN, Feb. 18.

SOUTH AFRICA has tightened its exchange control regulations as a result of a deterioration in the leads and lags situation, which appears to have led to fears of another devaluation.

The Minister of Finance, Senator Owen Horwood, announced in Parliament here yesterday that South African residents will henceforth be compelled to sell foreign exchange receipts to authorised dealers in South Africa within seven days. Existing regulations allow South Africans a period of 30 days to transfer foreign exchange to the republic.

On the imports side, authorised dealers in foreign exchange will in future require documentary evidence from importers showing that goods have been shipped. As a concession, however, dealers will be permitted to issue foreign exchange up to 40 per cent. of the factory price of machinery and equipment made up specially for a South African importer, by way of an advance payment. Documentary evidence will have to be produced by the importer, however, proving that the foreign seller insists on advance payment — and that advance payment "is normal practice in a particular trade."

The Minister said there were grounds to believe that some importers abused the exchange control regulations in respect of advance payments for imports. As a further precaution against leads, he announced that authorised foreign exchange dealers would in future have to seek Central Bank approval before selling foreign exchange for advance payments.

Pan Am jumbo freighters for U.K.

FINANCIAL TIMES REPORTER

PAN AMERICAN AIRWAYS is to introduce freighter versions of the Boeing 747 Jumbo jet on its all-cargo services between the U.K. and the U.S. this summer.

Current plans are to operate eight flights a week linking London with New York, Detroit and Chicago, with some flights also serving Prestwick in Scotland.

Pan Am already operates 747s on its North Atlantic all-cargo services to Frankfurt and Brussels and these will now be rerouted on the west-bound sector of the route to provide the U.K. service which is planned to start on June 12.

Apart from a once-weekly service provided by the American all-cargo carrier Seaboard World between New York and London, Pan Am will be the only other airline operating 747 freighters on scheduled services between London and points in the U.S.

Initially, they will operate on five days a week, with two services on Tuesdays, Thursdays and Saturdays. These will depart from Heathrow within an hour of each other, one flying direct to New York and the other direct to Detroit. On Wednesdays and Sundays there will be single services to New York, Chicago and Detroit, with the New York flights timed for early morning take-off so that they will be the first all-cargo flights to arrive at J. F. Kennedy airport to ensure Customs clearance of consignments ahead of the mid-morning build-up of incoming traffic at the airport.

For the past two years Pan Am has been evaluating the feasibility of putting 747s on its freighter services between the U.S. and London, and its decision to do so now has probably been prompted by the recent withdrawal by Seaboard of its 747 from the daily service it started 18 months ago to only once weekly following licensing restrictions imposed on the flights by the Department of Trade and Industry.

Hyundai wins $1bn. port order

BAHRAIN, Feb. 18.

SOUTH KOREA'S Hyundai Construction Co. has been awarded a $1bn. contract to develop a port at Al Jubayl on the Gulf coast of Saudi Arabia, a Hyundai spokesman said in Bahrain. He said the contract was finalised by Hyundai chairman Chung Ju-Yung during a recent visit to Saudi Arabia.

The spokesman said that he expected work to begin at Al Jubayl, which is located about 50 kilometres north-west of the big oil loading terminal at Ras Tanura, in October.

Hyundai Construction is currently building a $150m. supertanker dry dock in Bahrain, which will be owned by seven members of the Organisation of Arab Petroleum Exporting Countries.

Hyundai is one of Korea's largest construction companies with extensive overseas experience in Guam, Vietnam, other areas of South East Asia.
AP-DJ

● The construction company is one part of the vast Hyundai group headed by Mr. Chung. The group also includes the Hyundai Motor company and the Hyundai Shipbuilding company and has played a large part in giving South Korea the reputation of being the "Ruhr of the East."

Mr. Chung himself started his business life by pushing a handcart in North Korea in 1945.

Arabs warned off shipping preferences

By John Wyles

KUWAIT, Feb. 18.

A STRONG plea to the Arab nations to refrain from cargo preference measures to boost their fast-growing fleets was made here to-day by Mr. Sven Salen, chairman of Salen Shipping, the major Swedish shipping group.

Speaking at the FT conference on Arab shipping and trade Mr. Salen told his audience, which included a number of top men in Arab shipping companies, that restrictive trading practices would prove bad for the long-term future of Arab shipping.

Mr. Salen clearly had in mind a warning issued here yesterday by the chairman of the Kuwait Tanker Company that flag preference legislation by Arab countries was "inevitable."

Reflecting the traditional view that shipping must be as free as possible of Government interference, Mr. Salen said any restriction of seaborne trade would make world trade more expensive and would dampen the prospects for economic growth.

Mr. Salen's remarks also reflected Western shipowners' fears of a concerted move by Arab states to reserve a portion of their booming import trade and oil exports exclusively for Arab ships.

Australia buys U.S. frigates

By Kenneth Randall

CANBERRA, Feb. 18.

THE AUSTRALIAN Government is going ahead with the purchase of two guided missile frigates from the U.S. and has confirmed the abandonment of its own DDL frigate programme in which the British Admiralty-supported yard was involved.

The Defence Minister, Mr. James Killen, announced to-day that the Government was taking up its options on the U.S. ships, now designated patrol frigates FFG-7, Oliver Hazard Perry class. The total project costs, including helicopters for the vessels, spares, test equipment and items like ammunition is estimated at $A330m. at January, 1976 prices.

El Al cargo expansion

BY L. DANIEL TEL AVIV, Feb. 18

EL AL Israel Airlines will increase its cargo-carrying capacity by 40 per cent. during the coming fiscal year. This will be achieved by making the fourth Boeing Jumbo jet available for transporting off-season produce to overseas markets, mainly Europe, during the winter months, deputy director Y. Shrem announced.

As the 747 can take 100 tons of cargo, as compared with the 30-33 tons carried by the two Boeing 707s already being employed for this purpose, the move will enable El Al to lower its freight rates and thus give further impetus to sales of such produce as strawberries, flowers and various vegetables.

With four jumbos at the disposal of the company this spring and summer, in addition to ten 707s, the airline plans to extend its jumbo passenger services — hitherto confined to the North Atlantic route — to such destinations as London, Paris, Frankfurt and occasionally Zurich, to cope with an expected 15 per cent. increase in tourism from Europe this year (as compared with 1975), and of 27 per cent. on its transatlantic route.

BANGLADESH JUTE MILLS

Management consultants move in

BY KEVIN RAFFERTY, ASIA CORRESPONDENT NARAYANGANJ, Feb. 18.

ADAMJEE, the largest jute mill in the world, is having a friendly competition to try to boost production. Last week mill number 1 was bedecked with homemade paper bunting and production went up by 10 per cent.; this week mills 2 and 3 are decorated and hope to do better. The snag is that of the 4,000 tons of jute goods it is producing every month, Adamjee is managing to sell for export only 2,000 tons.

The plight of the Adamjee mill typifies the problems of Bangladesh jute and its export. Jute is the lifeblood of Bangladesh trade and raw jute and jute goods account for more than 80 per cent. of the country's exports. In the last financial year jute goods exports were worth £1.8bn. and raw jute £730m. of £3bn. exports. Yet ever since Independence the world jute market has continued to shrink, and, beset with its own problems, Bangladesh has seen other nations taking to making jute goods, China and Thailand among them.

Social problem

Admjee employs 25,000 men in its three general mill and broadloom mill complex. In ideal circumstances it could get by with 18,000, but that would cause great social problems because a community of 250,000 people depends on the mill workers.

The humid atmosphere and the appalling din of the carding and weaving machines strikes a European visitor as Dickensian, but at the moment it is the pleasant season. When the pre-monsoon heat comes and then the monsoon itself, conditions become stifling as well.

Any visitor is immediately followed around by a flock of curious Bengalis. The mill also has to employ extra workers because at harvest times many Bengalis betake themselves back to their villages to assist on the family's land.

Slowly, things are beginning to improve. The number of workers has been reduced from 30,000 three years ago. This time there are supervisors to shoo away the spare Bengalis back to their work. Since the new military Government, with Major General Ziaur Rahman as its strong man, took over there has been less labour unrest.

PA Management Consultants are working at the Adamjee mill under British Government aid in an effort to improve production and efficiency and to lay the foundations of an industrial labour force.

Mr. David Parr who is running the on the job training scheme in mill 3 says he is trying to instill four simple tasks into the weavers. He wants to get them to: change the shuttle before it runs out; make sure they use up what is left of the old shuttle; check the cloth at the front of the machine; and clean and tie up at the back, then listen for the shuttle emptying. He says if these simple tasks are done as a matter of routine, production will go up by 10 per cent. at least.

The jute mills are also hoping that world trade will this year pick up strongly. At the moment they say they have a slight edge on synthetic substitutes on the prive of seven ounce hessian and a marginal disadvantage on 10 oz hessian. If trade does pick up, they will be in a good position at least to stop further inroads from the big synthetic producers who are again under pressure from higher oil prices.

Breaking even

But vast problems remain. The Bangladesh mills have lost an estimated Taka3,000m. ($100m.) since Independence in 1971. The best of them to-day are breaking even or making a slight profit, but they still have serious cash-flow problems. With so much tied up in stock they have been unable to sell, the mills are having to buy jute at the 120-plus a maund (82.2 lbs) instead of the 65 to 70 they could have got it for a few months earlier in the season if they had the cash available.

And really to make a comeback the Bangladesh mills must improve their selling and marketing. They must get out and sell the goods instead of waiting for orders to come in. They must spot changes and opportunities in world markets. "If there has been a live-wire in Bangladesh," said one foreign jute expert "they would have been out to Africa and lined up huge orders for sandbags to Angola."

THE FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscriptions $167.00 (air freight) $311.10 (air mail) per annum. Second class postage paid at New York, N.Y.

AMERICAN NEWS

INTELLIGENCE REFORM PROPOSALS

Mixed reaction by Congres

BY JUREK MARTIN, U.S. EDITOR WASHINGTON, F

CONGRESSIONAL reaction this morning to President Ford's proposals unveiled last night to reform American intelligence gathering supervision was predictably mixed.

The principal Congressional objection is that the President has apparently deprived the legislative branch of anything other than a marginal role in the control procedure. Congressman Otis Pike, the New York Democrat who headed the House Intelligence Sub-committee, complained that Mr. Ford's reorganisation was bent "largely on preserving all of the secrets in the legislative branch and very little on guaranteeing a lack of further abuses."

"There was nothing in his statement, privately or publicly," Mr. Pike went on, "about getting information out to the public. I think there would be less Congressional oversight than a year ago if he went this route."

Congress is also somewhat piqued that most of Mr. Ford's reforms do not require its approval, but can be effected through the simple issuing of an executive order. Nevertheless, it is probable that both Houses will hold hearings on the subject shortly.

The thrust of the Ford proposals—prompted by a year of disclosure of the activities of the Central Intelligence Agency both here and overseas—was effectively to strengthen the agency's powers and to make more difficult the leaks of classified information that have been so frequent in recent months.

He is seeking a law that would make it a crime for Government officials to disclose classified information. To some, this is reminiscent of the old "loyalty oath" of the 1950s, although the White House was anxious to stress that only those civil servants seeking access to classified documents would be required to sign the pledge, which, in any case, would only apply to matters relating to espionage and not to a wider range of Government material.

This morning, Mr. Pike said that he reckoned that something like 15,000 Government employees would find themselves in this position. Mr. George Bush, the new head of the CIA, said in response that if Mr. Pike was accurate then the number ought to be reduced.

In addition, Mr. Ford announced the creation of a new committee, to be headed by Mr. Bush, to conduct "the management of intelligence." In effect this would replace the "Forty Committee," an administration subdivision of the National Security Council. This body would be reorganised and renamed, Mr. Ford said.

Mr. Bush's new committee would in turn be responsible to the National Security Council (headed by the President, the Vice President and the State and Defence Secretaries). In practice, observers here feel that Mr. Bush's position as Director of the CIA has been greatly enhanced, since he will possess supervisory authority over the other intelligence arms of the Government, particularly those vested in the Pentagon.

Mr. Ford's sop to the for oversight consisted proposed creation of a independent "Oversigh Members of this group Robert Murphy, a forme secretary of State an gence expert, Mr. Steph Secretary of the Arm Johnson cabinet, and Cherne, a publisher des leader of private move rescue people from to governments.

It is not clear if this have any real clout. a replacement, in this the President's Foreig gence Advisory Boar was widely acknowledge no real authority at a

Of all the proposals, prohibiting civil serva leaking Government se quires Congressional a Ford said he hoped the would establish its own committee, but it is no what practical role it w beyond the present where half a dozen Cong committees are various on intelligence affairs.

'24 killed by torture in Uruguay'

By Hugh O'Shaughnessy

THE URUGUAYAN Government of President Juan Maria Bordaberry has killed 24 people by torture since May 1972 and his regime's 6,000 political prisoners constitute one for every 450 of the 2.5m. inhabitants of the country. One of every ten of the population is in the armed forces or police. This was said by Amnesty International which to-day launches a world-wide campaign against torture in the country. Amnesty is seeking an independent international investigation into the practices of the Government.

Meanwhile news agency reports from Montevideo speak of increasing tension between the authorities and the Catholic church. Mgr Edmundo Quaglia, Bishop of Minas, has accused the Government of harbouring the "clear intention of persecuting" the church. Last year the Government forbade the circulation of a pastoral letter of all the Uruguayan bishops and seized printed stocks of it. A second version of the document which did eventually circulate complained of interference in the Church's freedom to act in Uruguay.

Since the Government's decision to close Congress, dissolve the political parties, ban the CNT trade union confederation and silence the opposition Press, the Church has been the focal point of criticism of President Bordaberry.

Aid asked for 'quake victims

WASHINGTON, Feb. 18.

THE HEAD of the Agency for International Development asked Congress to-day for a $25m. emergency authorisation to help earthquake victims in Guatemala recover from their tragedy and prevent new disasters expected with the spring rains.

Aid administrator Daniel Parker told a Senate Health Sub-committee that shelters have to be provided for more than 100,000 rural Indians before planting season, roads have to be rebuilt and quake-created dams destroyed before the torrential spring rains. The latest casualty count from the February 4 'quake listed 22,360 dead, 74,000 injured and more than one million homeless, Mr. Parker said.
UPI

U.S. breaks off talks with India on resumption of aid

BY DAVID BELL WASHINGTON, Feb. 18.

THE FORD Administration has broken off talks with India about a possible resumption of economic aid in a move designed to show American displeasure about Indian policies towards the United States.

A State Department official said to-day that "the atmosphere was not right" for continuing the talks which were requested last year by India. The U.S. has not given New Delhi any economic aid since 1971 following Indian charges that America was using such aid to influence Indian policies. A programme of food aid credits has, however, continued and this is not affected by the current decision to suspend talks.

While officials maintain that the ending of the talks is not part of Dr. Kissinger's recently announced policy of "getting tough" with countries who criticise the U.S., the suspension of the discussions follows charges made by Mrs. Indira Gandhi in December that the U.S. was seeking covertly to undermine her Government.

American officials insist that these allegations were completely without foundation, but they have made little secret of the concern that they feel about the "whittling away" of Indian constitutional rights in the past few months.

The talks had been about a possible new $65m. aid package during the current fiscal year which ends in July. The administration still plans to ask Congress for a further $75m. for the fiscal year 1977 which begins in October (the three-month gap between the two years is the result of changes in Federal accounting procedures). But even if Congress approves the aid the administration will retain the authority to decide whether to release the mone yor not.

Officials recognise that even though Dr. Kissinger has been trying to avoid charges that the U.S. has been using its aid to manipulate Indian policy the ending of the talk may well lead to renewed charges that that is precisely what America is doing.

Argentinian guerillas shot

Four suspected Left-wing guerillas were shot dead in Buenos Aires yesterday by police who chased them after they fired on a patrol car, Reuter reports. The four opened fire from a car on a police vehicle and sped off pursued by four police cars. They were surrounded and died in an exchange of fire. No police casualties were reported. Their deaths brought to at least 31 the number of people killed in politically-motivated violence in Argentina so far this year.

Meanwhile, Peronist Party leaders were believed yesterday to be pressing Sra. Peron to vacate the Presidency, warning that otherwise they would join the opposition to remove her.

Defence warning

General George Brown, Chairman of the U.S. Joint Chiefs of Staff, warned Congress yesterday against cutting President Ford's $100bn. request for money to be spent on national defence in the fiscal year 1977, Reuter reports. General Brown said that the United States must keep pace with the Soviet Union's rapidly increasing military power. "Our national security rests upon our maintaining a military balance between the United States and the Soviet Union," General Brown said.

Vietnam embargo

The U.S. House of Representatives International Affairs Committee, working over a $3.6bn. military aid Bill, yesterday passed an amendment that would lift the U.S. trade embargo against Vietnam, AP-DJ reports from Washington. The amendment, which must be approved by the full House as well as the Senate, marks the first break in the firm stand of the U.S. against any dealings with Vietnam since the Communists took over the Saigon regime last spring.

Personal income

The Commerce Department in Washington has reported that U.S. personal income in January rose 1 per cent. or at a $13.6bn. annual rate to a seasonally adjusted annual rate of $1,314bn., AP-DJ reports. It was the largest monthly increase since the $16.3bn. gain in September. In December, according to revised Commerce Department figures, personal income rose $4.3bn. to a seasonally adjusted annual rate of $1,300bn.

Kissinge may sign agreeme with Bra

By David White

RIO DE JANEIRO,

NAGGING disagreeme economic issues are ex play an important pa Henry Kissinger's d with Brazilian leaders third and longest sta Latin American tour.

The U.S. Secretary who arrives in Brasilia from Lima, is thought sign a general agreem the Brazilians touchin broad outlines of co and possibly setting n commission.

But Brazilian offi seeking specific re about the implicatio 1974 U.S. Trade Act, against raw material c the countervailing du have been imposed i against imports of leather goods.

The Angola questio feature prominently in although Brazil's Fore ter, Sr. Antonio Azere veira, has ruled out bility of a change Brazil recognised th movement in Luanda ately after indepen November, a move he U.S. as precipitate an criticised by sectors Brazilian armed forces.

The Cuban role the other countries is a p tion shared by the tw ments, but is not expe made into a major pu during the tour, the Kissinger has made h official capacity.

Among other iss Kissinger will seek e of Brazil's vote in favo UN anti-zionist resoluti along with its Angola p an important indic Brazil's growing diverg the U.S. in foreign affa

The visit, which series of postponemen out no prospect of d breakthroughs, and an agreement is unlikely t in the terms of a relationship."

Joseph Mann adds from Dr. Kissinger said last r the U.S. was "prepared a major effort to invig hemispheric ties" wi America and called nations of the region aside slogans" in co policy differences with

THE LOCKHEED PAYMENTS

More Diet hearings like

BY CHARLES SMITH, FAR EAST EDITOR TOKYO, Fe

OPPOSITION party efforts in Japan to uncover the truth about the Lockheed bribery scandal are now certain to include pressure for further Diet hearings, including the examination under oath of former Prime Minister Kakuei Tanaka.

The Lockheed affair will thus continue to dominate Japanese politics and will certainly go on obstructing the normal legislative programme which includes the budget and the ratification of two international treaties (the nuclear Non-Proliferation Treaty and the Korean continental shelf agreement).

The Opposition appears unlikely to be pacified by Government moves, expected to be announced to-morrow by the Prime Minister Mr. Miki, to "clear up" the Lockheed affair by sending a high level mission to Washington. The Government's opponents believe that it will be possible for Mr. Miki to go through the motions of seeking clarification from the U.S. without in fact extracting the vital information they believe the Americans are holding on the name of politicians who might have taken Lockheed bribes.

Mr. Miki, who is himself certainly innocent in the Lockheed case, has reiterated his desire to get at the truth. But the Prime Minister is facing pressure from inside the Liberal Democratic Party to exercise restraint in his investigations. Mr. Miki's previous record of reconciling his own inclinations with those of the party's top leadership suggest that he is likely to lean towards the latter.

LDP strategy on the handling of the Lockheed case appears to be press inquiries into legal issues such as suspected tax evasions by Mr. Yoshio Kodama, the "secret agent" who is said to have been paid over $7m. by them to promote Lockheed aircraft sales, as well as allegations of exchange control violation by Lockheed itself. The party's impatience to apply itself to these aspects of the case seems to be balanced by the feeling that no more time need be wasted in investigating bribery allegations through the Diet.

The Opposition parties who are determined to keep the Diet hearings alive have relatively little material to go on beyond minor contradictions in the testimony of witnesses called on Monday and Tuesday.

Apart from trying to exploit these contradictions opposition party investigators will have one other asset in their favour—the prevalent impression that the witnesses who testified to the Diet on Monday and Tuesday withheld facts and pretended ignorance of crucial aspects of the case. The Diet hearings were watched by an estimated 30m. viewers, roughly one-third of the population of Japan largest television audie recorded here. A propo these may have shared pression that there w withhholding of informa

The main drift of Or tactics is likely to be to late enough popular su force the Government t to having Mr. Tanaka c witness before the Diet committee which conduc week's hearings. The l of such demands could an acute dilemma for M who has the waning po of his Cabinet to balance the fact that party lead nitely do not favour the ment of Mr. Tanaka inquiry.

'More revelations are possible'

Securities and Exchange Commission chairman Roderick Hills said in Los Angeles yesterday he would not be surprised by more major revelations of corporate bribery. Mr. Hills said at a Press conference he had no knowledge that such further disclosures were imminent, but hoped that companies still hiding bribery actions would follow the examples of Gulf Oil Corporation and others in fully disclosing them.

On Lockheed Aircraft Corporation, he said the company has delivered all documents subpoenaed by the SEC for its investigation in illegal overseas payments.

Spanish act

The Spanish Foreign Office has made a formal request to Washington for full details of any possible Spanish involvement in the "gifts" made by the Lockheed aircraft company to potential customers, Roger Matthews writes from Madrid. Rumours have been rife in the capital since last week that substantial sums of money had changed hands. A spokesman for Lockheed in Spain said yesterday that he had no knowl bribes having been paid Spanish official.

German queries

The parliamentary fact the ruling Social Dem Party has officially ask federal government to what it knows about alleg ments by Lockheed to one West German political West Germany bought ov Lockheed F104G Star during a time when Fran Strauss of the Bavarian C Social Union was Defenc ster from 1956 to 1962.

مكتب إعمال أصل

OVERSEAS NEWS

Beirut seeks $1.5bn. loan for rebuilding

BEIRUT, Feb. 18.

BANON WILL seek $1.5bn. in is from the U.S., Europe and Arab oil states to help re- d its war-shattered economy, ording to Economy Minister J. Osseiran.

It is too early to determine precise size of damage to the iomy. Preliminary estimates ny experts put it at $3.5bn. to bn.," Osseiran said in an rview. Other estimates run igh as $10bn.

r. Osseiran said several Arab Western governments have essed readiness to help, and wealthy Lebanese abroad pledged financial contribu- s. "Initially, we need $1.5bn. loans," Mr. Osseiran said, t I'm hopeful that the size of ts and contributions from ernments and Lebanese grants would help squeeze the of projected loans."

ie Lebanese Government is to nark $1bn. in the regular get for reconstruction, he but limiting expenditure to amount would slow down lopment programmes.

veral Lebanese banks fled set up operations in Western pe. Scores of Lebanese and gn business firms transferred their headquarters and staff to Bahrain, Egypt, Jordan and Greece. More than 50,000 other Lebanese have sought jobs and refuge in Paris, Brussels and London, according to Lebanese officials.

The Banque Libano-Francaise, the Credit Libanais and the Banque du Liban et D'outre-mer were reported seeking permission to open subsidiaries in Paris.

"I've been assured by several banks and foreign firms that their operations would be resumed in Beirut as soon as possible," Mr. Osseiran said.

However, he conceded Lebanon's army is too small and its internal security forces inadequate. The Government will put aside $2.2bn. to bolster the army and internal security forces over the next five years. We will buy weapons from France, the U.S. and elsewhere to make the army and internal security forces strong enough to defend Lebanon," he said.

The Government will also set up a housing bank to extend long-term credits to help citizens rebuild their war-damaged houses. AP-DJ

yrian stays on in Beirut

Y IHSAN HIJAZI

BEIRUT, Feb. 18.

AN FOREIGN Minister l Halim Khaddam has ex- d his stay here for several days to help in the enlarge- of the Lebanese Cabinet he bolstering of the security tion.

ormed sources said inci- which took place here in ast two days have worried n President Hafez al-Assad told Khaddam to stay on. nain concern has been the rence of kidnappings and er kidnappings between ms and Christians. Some rsons were abducted in the 18 hours on both sides, but of them have been set

ht-wing newspapers accused ird party" of deliberately trying to rekindle the fire of strife.

On the political side, Mr. Khaddam is trying to persuade certain Moslem and Left-wing leaders to agree to participate in an enlarged reconciliation cabinet with Right-wingers.

Premier Rashid Karami, who is tipped to head the proposed new Cabinet, and President Franjieh are believed to feel such a Cabinet is necessary to end the Lebanese crisis.

Socialist leader Kamal Jumblatt and former Premier Saeb Salam were reported reluctant to support a new Cabinet. Their names have been mentioned among political magnates tipped to be included in the expanded Government. Others included Mr. Camille Chamoun and Mr. Pierre Gemayel.

Greater Syria' studied

f DAVID BELL

WASHINGTON, Feb. 18.

RTS that Syria is propos- "Greater Syrian Federa- as a possible solution to current deadlock in the e East are being studied but the initial reaction senior officials is that proposals have little change r getting off the ground.

reports suggested that is considering a Syrian led tion made up of Syria, and a new Palestinian n the West Bank. But the Department is profoundly al that there is sufficient greement between these parties even to get such a ast the initial stages.

particular, American s are not at all convinced he "unified military com- recently announced between Syria and Jordan amounts to very much more than a military co-ordinating committee and they note that even this has yet to be tested under pressure.

Officials concede, however, that the Syrians are playing an increasingly important role in the area and that their recent success in helping to arrange a ceasefire in the Lebanon has greatly enhanced their prestige throughout the Arab world. Thus they are paying close attention to Syrian thinking even if the Administration is still determined not to accept the Syrian demand that it should negotiate with the Palestinians. The U.S. remains publicy committed to refusing to talk to the PLO until it recognises Israel's right to exist.

angladesh, India in new w over Ganges water

DAUD KHAN MAJLIS IN DACCA AND K. K. SHARMA IN W DELHI

BLE has broken out n Bangladesh and India he question of use of the of the river Ganges via rakka barrage. Dacca says ndia is withdrawing 40,000 feet per second of water akka and that this breaks greements and understand- etween the two countries.

Bangladesh Government manded that India should ithdrawing Ganges water. that water levels in Bang- are at their lowest ever time of year and that ion has become difficult e parts of the river. Mr. Abbas, the President's on water resources, is on y to New York and Wash- for talks on routine and is expected to raise estion of Farakka with y countries.

built the barrage at a Rs.1.6bn. (about £90m.) the Hoobly river through er canal and to prevent a's port from silting up.

There was an agreement between Bangladesh and India last year for use of the waters during the mid-March to mid-May "lean" season. Bangladesh says that India had agreed to consult before taking any water via the barrage at any other time.

But an Indian spokesman in New Delhi said it was an "extraordinary and wholly unjustified demand that any withdrawal during any part of the year at Farakka, or even further upstream, should be subject to prior approval of Bangladesh." India had proposed talks on February 11, well before the "lean" season.

The Indian spokesman said that the adverse consequences and change in river conditions Bangladesh claimed had not been described, let alone substantiated. While seeking talks on the issue in a spirit of co-operation and understanding, the spokesman referred to the "false and misleading campaign in the Bangladesh Press."

erak insurgency dispute

KUALA LUMPUR, Feb. 18.

generals have come out to criticise the Perak overnment for not doing to counter the Com- insurgency, which has worse over the past year.

tate security council, com- the security chiefs, and officials headed by the Minister, Tan Sri Ghazali net yesterday, but failed e on several important n how to tackle the Com- infiltration in the state.

ecurity forces chiefs have he state government to timber logging over an f mountainous jungle, g more than 2,000 square long the Thai border, and ettle several thousand nes living in the area.

ity officials said some and Aborigines have been food and information to rillas, either voluntarily of fear and intimidation, uerillas have infiltrated e state disguised as

ver, the state is reluctant logging work because of from timber concession many of whom are ial people in the state. As e state government will stand to lose a big slice of its revenue if logging is stopped. It is also reluctant to spend large sums of money in resettling the Aborigines.

The chief of general staff, Lt.-General Mohamed Sany, said after the meeting with the chief minister that while he was satisfied with the efforts of the security forces, the State government and people had not been fully co-operative.

General Sany said there were occasions when security forces wanted to launch operations to flush out the Communists, but the operations were either abandoned, or not carried out according to plan because of pressure from "certain people."

Perak, one of the richest States in Malaysia and the centre of the tin industry, is facing a far more serious security problem than the rest of the country.

Several Communist groups have infiltrated into the State from South Thailand, and have re-established their cells in the Chinese new villages. Last November, a two-man Communist killer squad gunned down the State's police chief and his driver in the State's capital of Ipoh in broad daylight.

Attrition warning by Vorster

JOHANNESBURG, Feb. 18.

PRIME MINISTER John Vorster to-day attempted to cool a spreading war mentality in South Africa and said the nation's defence forces could withstand attacks from abroad.

But he said South Africans would have to live with continuous attacks and urged countrymen to rally together in the face of the Marxist MPLA victory in neighbouring Angola.

Vorster said the Russian and Cuban penetration of Africa in Angola was to test Western resolve and to see how far the West "would let them go." The Premier said the Communists were "not disappointed."

● Salisbury: Rhodesian constitutional talks, due to have resumed yesterday after a six-day break, were postponed because of the illness of the wife of nationalist leader Joshua Nkomo, a spokesman for Mr. Nkomo said.

No new date has been set for the resumption but it could be next week.

Mr. Nkomo's wife, Johanna, suffered an apparent bad bout of air sickness while they were flying back to Rhodesia last night from a visit to Swaziland.

● Hong Kong: China said yesterday that thousands of Angolans had been massacred by "Soviet mercenaries" in an attempt to strangle the national liberation movement there. Peking radio said the Kremlin had sent more than 1,000 military advisers and over 10,000 mercenaries to Angola.
Agencies

Eirene Furness, with Polisario forces in Western Sahara, reports on

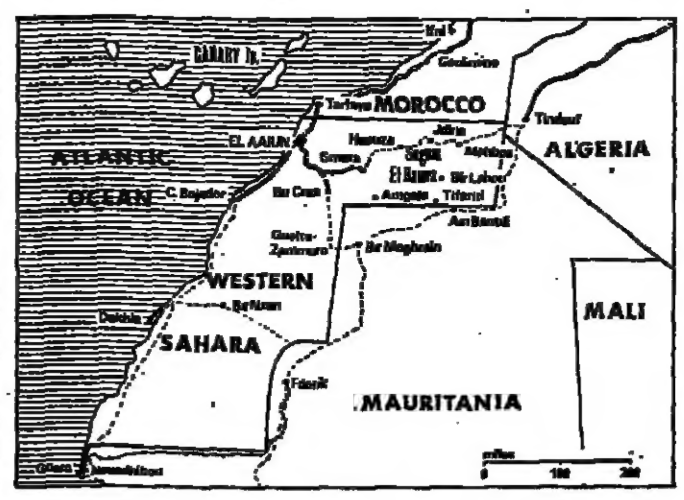
Warfare by Land Rover

MOROCCO'S announcement that it had taken the Polisario guerrilla staging post of Mahbes came on the radio last Wednesday as we crouched with guerrillas and refugees around a flickering oil lamp at this refugee camp inside the territory. Two days later we were welcomed into Mahbes by Polisario guerrillas.

Polisario itself consists of a General Secretary Mr. Laroussi Mahfoud, a seven-man executive committee four of whom are military commanders, a 21-man political bureau.

"We are a democracy," said Mr. Amine in Tindouf on February 18. "We respect the UN's position on self-determination as expressed in Resolution 1514. We want to live in peace with all our neighbours providing they respect our sovereignty." Mr. Amine said that there are no foreign soldiers fighting with Polisario units, but that there are lists of volunteers from other countries that support Saharan independence and are willing to fight side by side with Polisario. Moroccan military presence in the western Sahara is estimated is estimated at around 40,000 while it is thought that Polisario fighting forces are only about 4-5,000.

There were no Moroccans to be seen and the only evidence of their presence was two aircraft which flew over as we drank tea with the guerillas. The only inhabitants left were two bewildered little donkeys. Streets were strewn with debris, houses had been destroyed and there were wrecked vehicles all around.



Mahbes was firmly in the possession of Polisario fighters who are fiercely opposing the Moroccan and Mauretanian takeover of Western Sahara. In Mahbes they armed with a variety of light weapons ranging from First World War French rifles to Soviet Kalashnikov automatics. Asked how long Polisario would hold Mahbes, the guerillas replied: "Until death. We don't retreat we only advance or die."

We also visited Polisario positions west and south of Mahbes and saw about 20 guerillas armed with light weapons plus a couple of Soviet Second World War machine guns completely concealed in dug-outs in the rock.

The fact that Morocco is apparently making claims about its victories over Polisario which cannot be substantiated would indicate that King Hassan's forces, as widely thought, are finding Polisario a much tougher nut to crack than anticipated. Polisario possesses sophisticated weapons as well as its more ancient equipment: SAM-7 missiles are said to be among its armoury and it claims to have shot down Moroccan aircraft with them.

But probably one of the most effective of Polisario's instruments of war is the Landrover which has replaced the camel as desert transport. Polisario guerillas, many of whom served in the Spanish nomad troop units, race over the unmarked desert in them as if it were a four-lane highway.

Eight of us in a Land Rover, plus arms, supplies and a goat picked up en route, covered endless miles of desert to a Polisario stronghold where 30 prisoners are being held. Twenty-five Mauretanians and five Moroccans dressed in tattered army fatigue uniforms materialised out of a rocky hill in the sand dunes. Aziz Hamid, a Moroccan prisoner, was a student at Oujda before being called up. He said: "We are well treated. We eat the same food and drink the same drink as the Polisario guerillas. We have never been ill-treated or humiliated." As we left, the prisoners returned to their hide-out and the guerillas started to eat the goat.

There are about 4,000 to 5,000 Polisario guerillas, facing Moroccan forces of at least 15,000 and Mauretanians who number between about 2,000 and 3,000, but whose fighting qualities are considered very highly. It is essentially a small-scale conflict: the guerillas concentrate on hit and run raids in their Land Rovers operating from the various tiny posts they hold in this desolate, wind swept country.

The conflict is moving into a new phase as the Polisario have survived the initial Moroccan onslaught which was accompanied by bombing raids. Its strategy up till now has been to evacuate most of the people of the territory into Algerian territory where they are being accommodated in camps. This means that Morocco cannot attack the Saharoui people without threatening Algerian territory.

S. Vietnam arrests 'traitors'

SAIGON, Feb. 18.

SOUTH VIETNAMESE security forces have arrested "a ring of traitors operating under the religious label" at a village North of Saigon, the Giai Phong (Liberation) newspaper reported to-day.

It said the group was arrested at Tam Hiep village in Bien Hoa Province, 25 miles north of the capital on February 15, two days after the authorities crushed an armed rebellion at the Vinh Son Catholic church here.

Giai Phong published a picture of a radio transmitter and an electric transformer belonging to the group arrested at Tam Hiep.

About 2m. of South Vietnam's 17m. people are Roman Catholics and they have been a powerful influence in the nation's life. The authorities said the Vinh Son rebellion was an isolated case and that the Government's policies of religious freedom and protection of religious people remained unchanged.

The Archbishop of Saigon, Nguyen Van Binh, said yesterday that the Catholic Church could not directly or indirectly sponsor, encourage or condone any organisation which opposed South Vietnam's Government in the name of religion.

Two dissidents, including a woman and a police officer, were killed when the security forces stormed the Vinh Son Church on February 11. The authorities said the rebellion was a plot of the U.S. Central Intelligence Agency.
Reuter

Barcelona firemen and police drafted into army after protest rally

BY ROGER MATTHEWS

MADRID, Feb. 18.

FIREMEN and municipal police in Barcelona have been brought under military discipline by the Spanish Government following eight days of demonstrations in support of claims for improved pay. Riot police surrounded the historic town hall in Spain's second largest city shortly after midnight and then fired several rounds of tear gas into the building to dislodge nearly 2,000 municipal employees who had gathered there to discuss their grievances.

In the panic which followed at least 25 people were injured as they fought to leave the building and firemen summoned colleagues by telephone who arrived in 18 fire engines and three ambulances. After rescuing their colleagues by smashing windows in the town hall the firemen jumped back on their fire tenders and raced through the centre of the city, sirens blaring, to protest at the "violence" of the riot police.

The incidents, and further demonstrations by construction workers this morning, have cast a shadow over the visit to Catalonia by King Juan Carlos. Riot police again used smoke bombs and baton charges to break up groups of workers trying to demonstrate in the centre of Barcelona to-day and later surrounded the cathedral where more than 1,000 men had taken refuge.

The Mayor of the City, Sr. Joaquin Viola, was booed when he arrived at his office although striking municipal employees left the building after they had been threatened by the riot police.

The Government has already brought Post Office workers and railwaymen under military discipline for taking strike action, threatened the Madrid Metro workers with similar sanctions and has partly militarised the aviation company CASA. Eight postmen are due to be court martialled for holding a meeting half an hour after the Post Office was taken over by the army.

Apart from generalised worker demands for the right to form free trade unions, the situation of municipal employees in Barcelona has been aggravated by the precarious financial position of the city. According to reliable banking sources, the city's debts are "massive" and on one level the major is right when he says that the council does not have the cash to meet pay demands.

"Due to the gross financial mismanagement of the city and the relative absence of controls over revenue and expenditure a potentially disastrous position has been reached," according to one senior town hall employee. "We could easily become the new New York of the Iberian peninsula unless the Madrid Government gives us the autonomy to manage our own affairs."

Strikes and lock-outs continue to affect many other parts of the country with controversial Finance Minister Villar Mir warning yesterday that "we are ruining ourselves." He promised urgent measures to beat fiscal fraud and to reform the taxation system, adding that legislation would soon be sent for approval to the Cortes.

Meanwhile, in Madrid the nephew of Prime Minister Carlos Arias was rushed to hospital after being attacked at the university by members of the extreme Right-wing faction, "the guerillas of Christ and King." Several faculties have been the scene of violent clashes between groups of students during the past few days.

Part of Madrid's world famous Pardo art gallery was occupied by teachers and students to-day but although police were on hand they have not so far made any move to intervene.

● In the Northern Basque country, what is thought to have been a splinter group from the Separatist organisation ETA freed the son of a local businessman whom they had seized on January 13. A ransom of several thousand pounds is understood to have been paid.

Abortion reform tops Moro's problems

By Anthony Robinson

ROME, Feb. 18.

ABORTION law reform and the approval of urgent measures to improve the economic situation are the principal problems facing the new Christian Democrat minority Government led by Sig. Aldo Moro which is scheduled to present its programme to parliament to-morrow.

But the abortion question is the most delicate of all. The Vatican has made quite clear that legislation allowing abortion is opposed by the Catholic hierarchy. But failing a compromise on the abortion law question a national referendum on the issue becomes inevitable. This would find the Christian Democrat Party once again isolated in the country and with only the neo-Fascist MSI as its ally.

The Christian Democrats under Party Secretary Benigno Zaccagnini have been at pains to try and put forward a secular image for the party. The Communist Party has for its part showed its willingness to work out a compromise solution which would permit legislation which put an end to the deaths and mutilation arising from illegal back stree abortions while seeking not to offend Catholic opinion. Failure to arrive at a compromise would wreck the already slim survival chances of the present government.

Lisbon leader's 'plea' to Kreisky

BY PAUL LENDVAI

PRAGUE, Feb. 18.

THE PORTUGUESE Communist leader, Mr. Alvaro Cunhal, appears to have asked visiting Austrian Chancellor, Bruno Kreisky, a leading figure in the Socialist International, to convince the Portuguese Socialists of the growing danger of a Right-wing military coup and of the necessity of joint Socialist-Communist efforts to avert it.

Dr. Kreisky was informed of the appeal during his meeting here on Tuesday afternoon with the Czechoslovak Party leader, Dr. Gustav Husak, who earlier received Mr. Cunhal. There was, however, no personal meeting between the Austrian Chancellor and the Portuguese leader; both left Prague late last night.

But Dr. Kreisky told the Czechoslovak Presiden that the Portuguese Socialist leader, Dr. Mario Soares, with whom he conferred last Thursday in Vienna, had given him "a 100 per cent. different" account of the trends in Portugal than Mr. Cunhal did.

Austrian sources speculated that Cunaal wanted to impress upon Dr. Kreisky in this indirect way the seriousness of the situation. On his return to Vienna to-day, the Chancellor is likely to have already spoken both with Dr. Soares and Mr. Willy Brandt, the Chairman of the West German Social Democrats, who is a long-standing friend of the Chancellor.

The two-day visit of the Austrian Chancellor, the first paid by an Austrian Government chief to Prague since World War II, is regarded by both sides as a success. In addition to the opening of two new border crossings and the plan of expanding industrial co-operation into third markets, the Czechoslovak side agreed to review the so-called humanitarian cases affecting some 30 applications for exit and marriage permits as well as to pardon several Austrians imprisoned for traffic offences and smuggling.

● Portugal's military leadership last night suspended the conservative weekly O Diabo (The Devil) because of alleged insults against the regime, Reuter reports.

YUGOSLAV President Tito told Portuguese Communist Party leader Alvaro Cunhal in Kuporl, on the Adriatic coast, yesterday, that the unity of all progressive forces was needed to resist reaction and to consolidate the revolution in Portugal, according to official sources quoted by Reuter.

Dr. Hillery defended in Brussels

BY ROBIN REEVES

BRUSSELS, Feb. 18.

THE EUROPEAN Commission to-day rallied to the support of its Irish member, Dr. Patrick Hillery, Commissioner responsible for social affairs, in the face of a strong personal attack upon him by Mr. Richie Ryan, Ireland's Minister of Finance.

Dr. Hillery was effectively accused by Mr. Ryan of encouraging the Commission, for domestic political reasons, to reject the Irish Government's plea for a two-year exemption before applying the EEC equal pay directive in its entirety. Dr. Hillery was Minister for Foreign Affairs in the previous Fianna Fail Government.

An indignant EEC spokesman declared that the 13-man Commission was a collegiate body which took joint responsibility for all decisions. Furthermore, the Treaty laid down that Commissioners neither sought nor took instructions from any Governments or other bodies. Equally, members' Governments were required to respect this principle and refrain from actions incompatible with Commissioners' duties.

The statement was issued as the Commission confirmed its initial view of last week that Ireland should not be granted an exemption on this issue. However, a "task force" of EEC officials flew to Dublin this afternoon to discuss possible alternative solutions to the problem.

Congress move to end Turkey arms ban

WASHINGTON, Feb. 18.

A KEY CONGRESSIONAL committee voted to-day to lift a ban on U.S. Government military sales to Turkey. The House of Representatives international relations committee set a ceiling of \$125m. in Government-to-Government sales—both on credit and for cash—for the current financial year which ends on September 30.

The committee also voted to give Greece and Turkey \$50m. each in military grant assistance—but Turkey would not be able to draw on this aid until it makes progress in settling the Cyprus dispute.

U.S. military credits for Turkey have been barred since Congress voted an arms embargo against Ankara for using American weapons in its 1974 invasion of Cyprus.

The Greek and Turkish aid legislation was attached to a military assistance Bill expected to be approved by the Committee to-morrow. A similar Bill is being debated in the Senate.

Meanwhile, in Ankara Turkish Premier Suleiman Demirel told Parliament that the United States must change its "antagonistic attitude" towards its Nato ally and Ankara must review its relations with Washington.

Mr. Demirel said the U.S. arms embargo imposed on Turkey by Congress was unjustified. "In the face of this situation, Turkey is compelled to review its relations with the United States."
Agencies.

New proposal by East bloc on troops cut

VIENNA, Feb. 18

THE WARSAW PACT will submit new proposals for a European troop-reduction programme to Nato countries to-morrow, diplomatic sources said today.

Soviet chief delegate Oleg Khlestov was preparing a comprehensive statement for to-morrow's 94th plenary session of the East-West conference on troop reductions, but only bare details would be made public, the sources said.

The Communist proposals will answer Nato's latest offer to include 1,000 U.S. tactical nuclear warheads in a military thinning-out programme for Central Europe.

The latest Western proposals were presented to the 19-nation Vienna conference last December and were labelled "Insufficient" by the seven-nation Soviet bloc. But Communist diplomats refrained from rejecting the Nato plan and said it merited further discussion.

Warsaw Pact officials refused advance comment on the Communist proposals, but said it was only to be expected that both sides would have proposals within a regular process of negotiation.
Reuter

Cypriots argue over new talks

Greek and Turkish Cypriot representatives at the United Nations in New York accused each other of bad faith yesterday over the opening of new talks between the two communities in Vienna, the talks adjourned after only an hour—Agencies.

Budget approval

Turkey's National Assembly yesterday approved the Government's 1976 fiscal year budget which calls for Government spending of 154bn. Turkish lira (\$10bn.) up from 109bn. lira (\$7bn.), AP-DJ reports.

Chile denial

In Geneva, Chile yesterday rejected allegations in the United Nations human rights commission that torture and inhuman treatment are common in its political jails, Reuter reports.

Ortoli to U.S.

Francois-Xavier Ortoli, President of the European Commission, left yesterday for official visits to Canada and the United States, UPI reports from Brussels.

Fewer Bonn strikes

Strikes in West Germany last year were far less widespread than in 1974, the Government announced yesterday, Reuter reports from Wiesbaden. A total of 68,700 days were lost through strikes last year. This was 15 times less than the 1974 figure of 1,051,300 days, the Federal Statistics Office said.

Warsaw shows restrain over treaty set-back

BY OUR OWN CORRESPONDENT

WARSAW,

A CAREFULLY-JUDGED and moderate Polish reaction has followed the news of the CDU-CSU leadership decision to oppose ratification of the Polish-West German agreement arrived at in Helsinki last August. As it became clear that little would remain of a deal which was seen as setting the seal on still unresolved problems dating back to the Second World War, Press comment in Warsaw emphasised that it was the Bonn opposition which was to blame for this threatened setback in the normalisation process.

While it is stated that new negotiations are out of the question and that the Polish authorities will not succumb to CDU-CSU pressure, commentators note that the effort so far put into the talks is worth preserving. In the absence of any concrete ideas on what could replace the existing agreement, the Poles envisage a freezing of the normalisation process.

Some aspects of relations between Poland and Germany will probably suffer, such as cultural exchange, lifting of travel restrictions and trade contacts. But a return to outright diplomatic hostility which preceded the original 1970 agreement is unlikely, given that it could also cloud Poland's good relations with the West as a whole.

In this context, to-day's comment in the daily, Slowo Powszechne, is worth noting. It says: "It is with surprise and distaste and not anger, and certainly not alarm, that we greet news of the CDU decision. This is why we aim to continue to show goodwill in the development of relations between our two countries, independently of the obstacles and delays caused by the Opposition."

Another element in the Polish position is the willingness to see supporters of the agreement in all sections of the Bonn political scene. Yesterday's Tribuna Ludu, the Polish Communist Party official organ carried an article by Central Committee member M Rakowski, who saw allies in the ranks of the CDU. "The fact," he says, "that such people exist somewhat allays the pe the Polish observer."

He also states that side was not pressure Helsinki agreement be "ready to pay any progress" at the mom what Poland stands terms of cheap credit payments when the cation fails is not the in Warsaw thinking. importance here is the bility of agreeing to criteria for deciding ally has the right to lea as an ethnic German.

Comecon official rene call for pact with EEC

MOSCOW,

THE EXECUTIVE Secretary of the Council on Mutual Economic Assistance (Comecon) made a strong call to-day for an economic co-operation agreement with the European Economic Community, declaring that detente and economic achievements in the East had opened "broad prospects for the development of mutually advantageous, large-scale" relations.

Mr. Nikolai V. Faddeyev spoke at a news conference at Comecon headquarters two days after Comecon chairman Gerhard Weiss of East Germany gave a new draft of such an agreement to the EEC.

Weiss presented the document in Luxemburg to Premier Gaston Thorn, chairman of the EEC Council of Ministers.

Faddeyev indica Comecon-EEC agreeme permit both bloc-to-b relations and other among member-countri if individual Comeco would be able to si ments with the West. "The countries can do they want. It is their right."

In a statement d after the Press c Faddeyev said the ter Comecon-proposed agre clude trade relations o favoured-nation basis. T ment would also bar re on the buying and s goods that Comecon nations are willing t third countries.
AP-DJ

BULGARIAN INDUSTRY

Passing a mileston

BY DAVID LASCELLES, RECENTLY IN SOFIA

BULGARIA has enjoyed a lot of publicity in recent months, some of it unwelcome as when Arthur Scargill recounted his holiday experiences on the Black Sea coast; some very good, like the Thracian exhibition at the British Museum. But the fact remains that Bulgaria, tucked away in the Balkans, is scarcely known in the West, being associated in most people's minds with a curious mixture of colourful folk traditions and rigid loyalty to Moscow.

But a trip to Bulgaria to-day can spring some surprises. Small and backward it may be, but it has a flourishing computer industry and its farming is one of the most streamlined in a bloc notorious for agricultural disorder. And though a Balkan state, it has been rock-solid politically for over 20 years.

In fact, bearing in mind Bulgaria's humble beginnings, it seems to have done quite well out of socialism. And unlike the more advanced countries to the north, where the political cost of Communism in terms of lost freedoms is still being counted, Bulgarians seem by and large content.

Using the sweeping powers at its disposal, the leadership, headed by 65-years-old Todor Zhivkov, is making steady progress with the economy. Sofia, the capital, is to-day a town of six-lane motorways and new residential suburbs, where the decaying centre is gradually being ripped down and replaced with marble and glass, much in the Soviet palatial style.

Changes

Out in the country, agriculture is undergoing a profound transformation. In 1970 a decision was taken to abolish the country's thousands of co-operative farms and merge them into only 160 vast complexes. Five years later, the process is nearly complete. Clearly the co-operative farmers objected, but they were mollified with promises that they could keep their private half-acres.

The Bulgarian countryside is now a panorama of vast fields, vineyards and tidy orchards stretching to the horizon. Economically, this is said to have brought up to 30 per cent. increase in production, but the full evidence has yet to be sifted.

Industry, meanwhile, has been developing at over 10 per cent. a year, despite the handicap of a first generation industrial work force. Most of the money and technology has come from the Soviet Union and Comecon, which entrusted Bulgaria with specific tasks under the grouping's Complex Programme.

The decision to allot electronics to Bulgaria looks odd in view of its low industrial skills. But it was made to compensate for Bulgaria's lack of raw materials on which to build up industry of its own. Most production is of medium-range, third generation computers, memory storage units, micro circuits and calculators. Much information on this industry, though, is secret.

Technology has also come from the west, and not only for heavy industry. Bulgaria's progress towards higher living standards is marked by availability of Kent and Pall Mall cigarettes, Coca Cola and Schweppes tonic water, all produced there under licence.

A milestone was recently passed when Bulgaria announced it was no longer an agrarian state but an industrial-agrarian one. More people (40 per cent. of the work force) are now in industry than in agriculture (30 per cent.). Agriculture and the food industries now account for only one-third of exports against 40 per cent. for manufactured goods.

'For many older Bulgarians, profound transformations of last 30 years have brought incalculable improvements . .

The new Plan will press on with industrialisation and rapid overall growth, with an emphasis on making more of science and technology to improve efficiency and quality. Priority areas will be engineering, chemicals and the construction of a new steel plant to strengthen the industrial base. Electronics and the food industry will also be pushed forward because of their role in exports. But there will be fewer new plants than before. Over half the investments will go in rebuilding or updating existing plants.

Economic orientation remains strictly towards Comecon. Nearly 80 per cent. of trade is with the grouping, and 55 per cent. with the Soviet Union alone. Since trade now accounts for 40 per cent. of GNP, Bulgaria depends on the Russians for one fifth of its national income.

Timber

All the country's oil and gas needs and most of the raw materials for the steel industry are supplied by the Soviet Union. Bulgaria also imports Soviet electricity via the Romanian grid. Under a unique Comecon arrangement several thousand Bulgarians are stationed in the Komi Soviet republic where they chop down trees for export to their country. Their efforts account for nearly half Bulgaria's total timber consumption.

This economic web underlies Bulgaria's well-known loyalty to Moscow, a feeling which is more genuine than is supposed in the West. For many older Bulgarians, the profound transformations of the past have brought in improvements thanks cooperation with the R

However, some i with Mr. Zhivkov's tig policies is detectable a new generation, whic concerned with the pa it seems, would like to buy Western goods, an that they cannot has worship of the West urban young. But the sign of fundamental to the regime of the k elsewhere in the Sovie

Loyalty to Moscow country's economic ach are prominent themes as Bulgaria prepares fo yearly party congress

Posters showing Mr. Zh Leonid Brezhnev in a embrace over the wo ever and ever" abou streets and villages.

Regional

But the congress is to produce few surpri Zhivkov, leader for years, is politically physically fit and truste Russians. His policie steady and unadventu unlikely to change, eve international field whe is now some movement Balkan cooperation. was noticeably cool tow recent conference on ject in Athens, probably there was no guarante regional agreement that Romania, Yugoslavia Nato countries woul Moscow's best interests.

Nevertheless, Bulg slowly strengthening t its neighbours, buildi national highways, ope cross-border river ship planning a joint hyd project with Romania Danube.

The biggest challeng Todor Zhivkov is how to out of the economy to worsening terms of tr ticularly in western where the deficit is est be over \$350m., a large Bulgarian standards. Comecon, the Russians' to increase raw materi (a development that h kept from the Bulgarian has imposed extra strai balance of payments. T could be a slowing of th living standards as n sources are diverted to trade gap.

هكذا اصل الأصل

HOME NEWS

Rank's Brown Boveri Kent stake may go to NEB

BY MARGARET REID

HE NATIONAL Enterprise oard is expected to take over ank Organisation's 9.1 per ent. share stake in the Brown overi Kent process control nd instrument group, so raisng the State holding in the oncern—just Swiss-controlled to more than a fifth.

This became clear after the sults yesterday of the recent 2.1m. rights issue, which howed that the Swiss company Brown Boveri had lifted s holding in Brown Boveri ent, which it formed by linkg with part of the old George ent in 1974, from 49 per cent. just under 51 per cent.

The change was as a result Brown Boveri underwriting e issue and taking up the nall proportion—8.7 per cent. —of the offered new shares not subscribed for by holders.

The National Enterprise Board confirmed last night that it had taken up the shares offered under the rights issue in respect of the Department of Industry's 12.3 per cent. holding in Brown Boveri Kent, which is being transferred to it.

It declined to say whether it was also buying the 9.1 per cent. held by Rank Organisation in Brown Boveri Kent, or whether the rights of this holding to new shares had been renounced in its favour and taken up.

Rank has already said that it is not taking up the Brown Boveri Kent shares offered it under the rights issue, while the figures of the issue's result make it clear that rights on the 9.1 per cent. Rank holding were taken up. The inference from the result is also that they were not subscribed for by Brown Boveri.

Despite the NEB's reluctance to comment, all the evidence is that Rank's 9.1 per cent. holding is destined for the Board.

This build-up in the State holding in Brown Boveri Kent appears to reflect a decision that, while no Government objection would be raised to the Swiss stake in Brown Boveri Kent increasing to a majority level, the British public interest should also be increased.

Moves to stop SDN auction

BY CHRIS BAUR, SCOTTISH CORRESPONDENT

E OFFICIAL liquidator of the tish Daily News, which closed Glasgow last November with ts of about £2.5m. yesterday , under pressure from two rces, hoping to stop him aucing the assets of the former kers' co-operative newspaper. e has received an offer of 5,000 for the Albion Street mises and plant from Mr. ert Maxwell, the Pergamon s publisher and former chief utive of the Scottish Daily s, who says he wants to ch an evening newspaper in city.

he liquidator, Mr. James tton, who plans to auction the newspaper machinery in May, is being pressed by Mr. Maxwell to agree to the private sale within two weeks.

In addition, the 350 remaining members of the Daily News workforce who have been occupying the building have said that they will resist attempts to get them to leave the case room where they have prepared "emergency" editions.

Mr. Whitton has told them that he wants the case room vacated by to-morrow so that valuers can make an inventory.

Mr. Maxwell's offer is regarded as inadequate by the liquidator.

In a message to Mr. Whitton yesterday, Mr. Maxwell said that he was offering at least 250 jobs to unemployed Daily News workers on the proposed Strathclyde Evening News. He also gave an undertaking that, if the paper could not be launched, he would sell the property and divide any surplus equally between former Daily News employees and the liquidator, for distribution to creditors.

Negotiations start to-day on sale of motorcycle plant

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

NEGOTIATIONS starting at £3m. to buy the Norton Villiers industrial engines and motorcycle plant at Wolverhampton begin in London to-day between Mr. Ronald Titcombe, an Australian businessman with international oilfield interests, Mr. Kenneth Morgan, liquidator, and representatives of Barclays Bank.

Mr. Titcombe yesterday met the former employees, who have been picketing the plant for more than seven months, and told them he was prepared to put down a £1m. deposit, but that, if the other £2m. could not be raised in 90 days, negotiations would be terminated.

He claimed that an order definitely existed for 7,000 bikes from Mr. Joe Berliner, head of the Berliner Corporation, of the U.S.

The order was subject to there being sufficient spares and that there would be no litigation with NVT, for whom Mr. Berliner distributed cycles for the North American market.

Mr. Titcombe said later that so far, he was the only person behind the bid. British Norton Partnership had been created with an authorised capital of £1m., of which £600,000 would be issued, and £400,000 would be partially issued and put in a trust fund for the employees.

Every year, an element of the profit and loss account would be earmarked for the trust account as a dividend. The trust fund would acquire some shares immediately and by the end of five years, it would have fully paid for the £400,000.

British Norton Partnership would have 12 directors, six of them employee representatives, of whom only four would have voting rights to reflect the 60-40 financial relationship.

He would be meeting Mr. Morgan and Barclays—but not, as he originally said, Hambros Bank, which holds debentures. The draft contract had been prepared by the liquidator, and he would be discussing the mechanics of coming to a final draft.

A new model, the Norton '76, which uses only the engine and frame of the Norton Commando, is being exhibited at the Daytona Show in the U.S. towards the end of the month. It was built in the factory by former employees.

Inflation accounting

COMPANIES or organisations wishing to make contributions to help to finance the Inflation Accounting Steering Group should write to: Mr. R. Bush, Inflation Accounting Steering Group, P.O. Box 433, Moorgate Place, London, EC2R 6EQ.

Methven's fair trade post to be advertised

By Elinor Goodman, Consumer Affairs Correspondent

THE GOVERNMENT is advertising for a replacement for Mr. John Methven, director-general of Fair Trading, in an attempt to spread the net as far as possible.

There are precedents for advertising a post of this level but this is the first time the Department of Prices has used advertising to fill a job of such importance.

The post carries a salary of £16,580 and the appointment will be made by Mrs. Shirley Williams, Secretary of State.

Service field

Mr. Methven, who will take up his new job of director-general of the Confederation of British Industry in June, was recruited from ICI after informal talks but it is felt there is not now enough time to find the right man through this process.

The new incumbent will take over at a time when the Office of Fair Trading's work covers restrictive practices in the service field and implementation of new consumer credit legislation in addition to its other responsibilities.

Mr. Methven had a legal training and it is likely that the Department will want to appoint somebody with a knowledge of legal matters affecting competition.

Upturn in newsprint demand may bring new price increases

BY LORNE BARLING, INDUSTRIAL STAFF

THE NEWSPAPER industry is faced with an increase of between 10 and 14 per cent. in the price of its newsprint on May 1, ending a period of relative stability in prices over the past year.

The increase comes after the end of a number of mill strikes in Canada and a 14 per cent. wage settlement, which has led to a $25 a ton increase in North America where demand for newsprint appears to be building up steadily.

There are also signs of an increase in demand in Europe, particularly in Germany, and according to some sectors of the industry—even in the U.K.

Scandinavian newsprint suppliers intend to raise their prices by 10 per cent. to 12 per cent., adding about £18 to the price of 48.8 gramme newsprint, now £173 a tonne from May 1.

They claim they have not been able to recover costs in the past year due to inflation. A 6 per cent. rise in November merely served to adjust currency losses and a 10-12 per cent. increase would provide 8 per cent. net at the mill when taking currency values into account.

In spite of the fall in the value of sterling against Scandinavian currencies, suppliers intend to continue to sell in sterling and adjust prices periodically rather than invoke exchange clauses.

It is felt, however, that prices will remain fairly stable while inflation rates remain low.

Last year, Scandinavian mills operated at between 65 per cent. and 70 per cent. of capacity. The figure is expected to rise to 80 per cent. this year.

Canadian and home suppliers, Reed and Bowater, are expected to come broadly into line on price, reflecting the need to recoup costs in a much depleted market.

U.K. consumption this year is expected to be about 1.2m. tonnes, of which the three main suppliers will provide about a third each, with Canada marginally ahead.

Canada and Scandinavia are estimated to have lost 25 per cent. each on volume in the U.K. last year and should recover about half of this by the end of the year.

Bowater and Reed agreed recently to a £6-a-week pay increase under the Government's pay policy and probably will seek to pass it on to the consumer in price increases.

Newspaper publishers who are hoping to delay the introduction of the price increase, possibly until the latter part of the year, believe that the upturn in the U.K. economy is not yet apparent enough to warrant higher newsprint prices.

Payments soon for some Fidelity Life holders

BY ERIC SHORT

OFFICIAL receiver, the isional liquidator of fidelity Assurance, said yesterday interim payments would be e soon to certain policyers of the company.

e Court has approved the ngements drawn up for such ibutions, the scheme being first to make use of the ntly enacted Policyholders ection Act, 1975.

petition for the compulsory ling up of Fidelity Life was ented to the High Court on 28, last year by Mr. Peter e, Secretary of State for e.

nder the terms of the order inting the provisional liqui-, no payments could be by the company, although ial arrangements were ed for premiums still to eceived. This moratorium resulted in individual cases ardship, especially where iduals rely on annuity pays for most of their income.

e scheme is to make pays to three classes of policyrs who should have received actual payments. They are rs of Secure Income and High Income Bonds, policyrs who elected before July o make automatic withals and claims arising on rity of policies or where the ed had died. The amounts paid in all cases will be r cent. of the sums due.

A letter explaining the scheme from Mr. Donald Chilvers, a partner of Coopers and Lybrand, chartered accountants, who was appointed special manager to assist the official receiver, makes it clear that no surrenders will be paid under the scheme neither will any cash-in payments be made at the Vesting date of income bonds.

The hearing of the winding up application has been adjourned on several occasions by the High Court judge while attempts are made to find a scheme whereby Fidelity could continue as a life company meeting all contractual liabilities on existing business, but not taken on any more commitments. The hearing is due to be resumed on March 8.

Miners break own record

MINERS at Florence Colliery, Longton, Stoke-on-Trent, have broken their own production record for the third time in five weeks.

Overall face productivity is now 405.8 cwt. of coal a manshift, with 20,897 cwt. being produced from the pit's four faces last week. The first record, set up early last month, was 369.4 cwt. a manshift.

U.K. capital 'defended at expense of workers'

BY DONALD MACLEAN

GOVERNMENT had "torn ts social democratic mask opted for the wholesale ice of U.K. capital at the nse of the workforce." rding to Counter Informa- Services in a report "Who's for the Chop (the Essential on Unemployment)."

unter Information Services ibes itself as a collective urnalists dedicated to pubg information "not covered ollated by the established a." It claims to be financed les, subscriptions, donations grants, including money the Reuben Foundation, York.

report says that taxes on s "have been slashed at the time that real wages have cut." This had resulted in creased Government deficit a falling level of demand.

Government policy "a factor in the rise of unoyment."

ough the National Enter- Board and in the nalised industries, the nment "is beginning to employment in those it directly controls." The propagated was that h industry would respond cessions by increasing inent, thereby creating more

s theory was a "cont myth." In the first place, was no indication that inent would increase as a of Government support. panies will only invest and where there are profits made."

ong the industries particuexamined in the report the point of view of alisation is the newsbusiness. "It is the cial Times that is moving st towards full computeri." But the Financial Times ust the thin end of the Newspaper proprietors a situation in which the ology is comparatively business is anyway at its because of the recession, they can point to apparently low profits or even losses in some cases, and the political climate, with everybody else losing jobs, is just right.

"If they can do it now, the new equipment will be running smoothly just in time to reap the lucrative profits of the recovery. But the jobs would not reappear." The Financial Times plan "at present is to cut the workforce by about one-third from its present 1,396, that is, by about 450."

Who is Next for the Chop (The Essential Facts on Unemployment); Counter Information Services, 9, Poland Street, London, W.1; 30p.

SNOW REPORTS

	Depth (cms.) L	Depth (cms.) U	State of Piste	Weather	°C
Champery	30	80	Good	Fine	-0
Grans	35	100	Good	Fine	2
Davos	40	150	Good	Fine	3
Kitzbuhel	53	125	Good	Fine	3
Les Menuires	95	138	Good	Fine	−4
Sauze D'Oulx	60	158	Good	Cloud	−7
Val D'Isere	105	175	Good	Fine	−5
Villars	60	145	Fair	Sunny	2
Wengen	30	130	Good	Sunny	-2

The above reports are supplied by representatives of the Ski Club of Great Britain. The following reports have been received from other sources.

	L	U	Piste	Weather	°C
FRANCE					
Auron	100	170	Hard	Sunny	
Alpe D'Huez	138	200	Good	Cloud	
Chamonix	30	150	Hard	Sunny	
Courchevel	90	180	Good	Sunny	
Gourette	80	300	Good	Sunny	
La Clusaz	75	150	Good	Sunny	
La Plagne	115	140	Good	Sunny	
Le Corbier	80	200	Good	Sunny	
Les Arcs	100	165	Good	Sunny	
AUSTRIA					
Alpbach	30	90	Good	—	−3
Axamer-Lizum	—	118	Good	—	−4
Badgastein	30	80	Good	—	−1
Berwang	70	100	Good	—	−3
Brand	30	100	Good	—	0
Gargellen	100	130	Good	—	−4
Hochsolden	40	115	Good	—	−5
Ischgl	70	150	Good	—	−5

SCOTLAND

Cairngorms: Main runs all runs complete. New snow with ice patches. Lower slopes most runs complete. New snow with icy patches. Vertical runs 1,000 feet. Snow level 2,000 feet.

Glenshee: Main runs all runs complete. Hard-packed snow with icy patches. Lower slopes ample nursery areas. Hard-packed snow with icy patches. Vertical runs 1,000 feet. Snow level 3,000 feet.

Glencoe: All main runs complete, hard-packed snow. Lower slopes ample nursery areas. Hard-packed snow. Vertical runs 1,400 feet. Snow level 2,200 feet. Forecast: Cloudy, mainly dry.

£7m. BSC plan to expand plate mill

BY ADRIAN HAMILTON

BRITISH STEEL yesterday announced a £7m. expansion to its heavy-plate production facilities at the Dalzell plate mill, Motherwell.

Work on the expansion, which will raise the mill's capacity by 2,000 tonnes to 7,300 tonnes of finished plate a week, has started, and the extra facilities are planned for commissioning next year.

The increased tonnages will consist mainly of high-strength heavy plate between 40mm (1.5 ins.) and 380mm (15 ins.) thick, primarily used in off-shore oil and gas development, power generation and ship-building.

Expansion involves two extra soaking pits in the slab reheat facility; construction of two further bogie hearth furnaces for handling the heavier range of plates; a new heavy plate cooling grid, and extensions to the slab stocking, dressing areas and the heavy plate finishing department.

News of the expansion comes after the announcement this week of a £34m. programme to raise the tube work capacity at Corby to 251,000 tonnes a year

Ryman hearing adjourned

THE HEARING of summonses alleging corruption over election expenses by Mr. John Ryman, Labour MP for Blyth, Northumberland, was adjourned again at Blyth yesterday until April 7.

Mr. Ryman and his former agent, Mr. Peter Mortakis, are accused of committing a corrupt practice in knowingly making false declarations regarding the return of election expenses after the election in October, 1974.

Hoechst U.K. to delay £60m. investment plan

BY RHYS DAVID, CHEMICALS CORRESPONDENT

HOECHST U.K. is to delay its five-year £50m.-£60m. investment programme, unveiled last year, to match the slower rate of growth expected in demand for chemical products as the world climbs out of recession.

The company's plans in the U.K. include a possible new plant producing 60,000-100,000 tonnes of polyethylene for use in plastics manufacture.

The project is tied in, however, with the next stage in the expansion of ethylene capacity and with the big petrochemical groups still delaying a decision on this, Hoechst's plans are also being held back.

Hard look

Mr. Norman Mischler, chairman of Hoechst U.K., disclosing the slowdown, said that the depth of the recession had obliged the company, with others in the industry, to take a hard look at its plans and put some of them back until there was clearer evidence of a return to more healthy and stable trading conditions permitting an adequate return on capital.

Capacity was not being used to the full and with some new plant being commissioned, there was still going to be a gap between supply and demand, even if recovery took place.

"The attractions of anticyclical investment and of being ready to meet the next upsurge need to be tempered with a clinical look at international capacities and the ability of the market to absorb them, if both private and public resources are not to be squandered."

Although some projects have now been pushed back, Hoechst is still intending to spend about £5m.-£6m. this year—roughly the same as last year.

Investments last year included £2.4m. on the acquisition of Optrex; £1.5m. on new research and animal health laboratories at Milton Keynes; and £700,000 on new facilities at Limavady in Northern Ireland and at the John Shaw texturising unit in Yorkshire.

The group's Berger subsidiary spent £2m. on capital assets during the year and also acquired J. W. Pickles and Son, and Manger—two other paint industry concerns.

Mr. Mischler said that total sales by Hoechst U.K. last year came to £206m.—up 14 per cent. on the previous year—but profits before tax are likely to be less than half those of the year before.

The reduction in profit is blamed by the company on particularly difficult trading conditions in fibres and dyestuffs and losses in the office equipment company, Kalle Infotec.

Late recovery

The pharmaceuticals division performed particularly well, improving on its 1974 results, and chemicals, especially pesticides, are said to have held their own. In plastics, a recovery was experienced towards the end of last year.

Mr. Mischler forecast an increase in sales of more than 20 per cent. this year and a substantial improvement in profits, though these are still expected to be below the peak year of 1974.

The company is expecting the improvement in trading over recent months to manifest itself more strongly towards the end of the year.

Upturn in plastics expected

BY RHYS DAVID, TEXTILES CORRESPONDENT

BRITAIN'S plastics industry expects an improvement in business throughout this year, with companies forecasting increases in sales at home and abroad and higher spending on new plant, according to a business trends survey by the British Plastics Federation.

Replies to the survey—the fourth conducted by the federation—suggest restrained optimism and preparation for renewed growth, it is believed.

Few companies expect a further significant decline in business, though it is still thought the return to higher levels of activity will be slow.

The replies on home sales expectations indicate that about 55 per cent. of companies covered are looking for an increase over the next six months compared with only 30 per cent. in the last survey in July.

About 30 per cent. expect increases of less than 10 per cent., however, and only 5 per cent. hope for 20 per cent. improvement. As a result, it is thought much of the industry will be running below capacity for the whole of this year.

Two-thirds of the companies replying were already supplying export markets and most of these predict higher sales in

Some 40 per cent. of companies expect to hold higher stocks, compared with 26 per cent. in the previous survey. Also, there has been an increase, to 61 per cent. of respondents, in the number of companies planning to expand capacity.

In the plastics processing sector, eight out of 10 companies replying indicated their intention to buy machinery.

'Commuter' aircraft passes test

By Michael Donne, Aerospace Correspondent

THE 30-PASSENGER SD3-30 "commuter airliner," built by Short Brothers and Harland, of Belfast, has won its certificate of airworthiness from the U.K. Civil Aviation Authority. U.S. and Canadian approvals are expected soon.

The twin-engined aircraft designed for short ranges and grass airfields, is in full production at the company's Queen's Island, Belfast, factory to meet orders from several U.S. airlines, including Command Airways of Poughkeepsie, New York, and Time Air of Alberta, Canada. Further orders are under negotiation.

The company said that North American sales of the SD3-30 would amount to about 100 aircraft over the next five years or so, on the basis of present inquiries.

World demand for an aircraft of this type could be between 600 to 800. Shorts would hope to win about a quarter of this.

Sharper image for BBC

By Arthur Sandles

THE BBC is to sharpen the presentation of its news programmes, beginning with major changes to the 9 o'clock news, the main newscast of the evening, on March 8.

The changes are intended to improve the quality as well as the presentation. They are also obviously intended to increase the pull of the 9 o'clock news by comparison with ITN's News at Ten. The BBC has been struggling for some time to match its highly popular competitor.

Mr. Andrew Todd, new editor of BBC-TV news, refuted yesterday that the changes were being introduced as a bid to win more viewers from ITV.

"We have a far bigger audience than ITN's News at Ten. It is a myth that News at Ten has a bigger audience. We have nothing to be ashamed of. In the last quarter of 1975, figures showed that we had more than 1m. more viewers than News at Ten."

On the quality side the BBC is to pay greater care over "sloppy use, and abuse, of the English language on television." Mr. Todd said he would launch an attack on slang in newscasts. He intends to do away with such terms as "gunned down" when the speaker means "shot dead," and prices will no longer be "slashed" but "cut."

The language campaign is part of the general shake-up of the BBC, which is to revert to the presentation of news by one person rather than two as at present.

"Two readers tend to fragment the news," he said. "I want, by using just one news reader, to re-establish the news reader's role as the prime link between the news rooms and the public. The change will mean a tougher, more demanding task for one news reader."

Barclaycard Masterloan for farm finance

By Michael Blanden

BARCLAYCARD'S Masterloan credit organisation is entering agricultural finance through a link with Hargreaves Fertilisers, a joint venture between Hargreaves Group and ICI.

The new finance plan for farmers provides facilities under the Masterloan scheme run by Barclaycard. Under the scheme, Masterloan finance is available to farmers buying direct from Hargreaves for amounts over £100 for the purchase of fertilisers.

The loans are at an interest rate of 15 per cent. a year, calculated on a day-to-day basis, for periods from two to 14 months.

This is more expensive than the bank's normal overdraft facilities, but Mr. Frank Snushall, divisional general manager of Barclaycard, said that the facility was regarded as an addition to services rather than a substitute.

Loans on an unsecured basis would help farmers who had reached their overdraft limits.

Terms of repayment are flexible, giving the option of regular payments, several payments on agreed dates, or one payment. Finance is also available for the purchase of associated equipment.

TV deliveries

Deliveries of black-and-white television sets to distributors in December were 52 per cent. up on December, 1974, according to industry figures. The year's total was 938,000 (15 per cent. up). The 150,000 colour deliveries in December were 7 per cent. down. The year's colour deliveries totalled 1.6m. (28 per cent. down).

Warning to U.K.

Britain might not be ready to take full advantage of the world economic revival when it comes. Mr. Alex Park, chief executive of British Leyland, told the Institute of Bankers in Birmingham. Much more must be done to make the country "ready and flexible."

£1m. scheme

Work has started on a £1m. scheme to increase warehousing and improve distribution facilities at Courage's Tower Bridge brewery, London.

Chevron confirms Ninian oil field reserves

BY RAY DAFTER, ENERGY CORRESPONDENT

THE CHEVRON group of North Sea operators has confirmed reserves in the important Ninian oil field and, as a result, might step up production plans.

The latest appraisal well has been tested at a rate of 7,800 barrels a day on a 30/64-inch choke. The results compare well with previous tests and it is probable that Chevron will stick by its estimate of 1.2bn. barrels of recoverable reserves for the field.

This makes it the third largest field in the U.K. sector behind BP's Forties and Shell/Esso's Brent finds. Chevron, which is the operator for the Ninian licensees, would not comment on the importance of this latest test other than to confirm the results were as anticipated.

The test probably brings to an end the appraisal programme which has entailed the sinking of eight wells, six in the Chevron group's 3/3 block and two on the BP group's 3/8 block.

All the exploration companies will now evaluate the latest information before reviewing the production schedule.

They are committed at present to installing two production platforms linked by pipeline to the Sullom Voe terminal in the Shetlands. The cost of this project is put at £1.14bn. on latest estimates.

The latest appraisal well was sunk in the far north of the Ninian structure in an area not directly covered by the two planned platforms.

In view of the well's flow rate it is quite likely that the operators will decide to further sub-sea production ties in order to dra northern sector of the fie

There has been a goo of speculation about the r able reserves of the Field. British Petroleum, minority stake, has be most cautious, opting for between 840m. to 980m.

Celtic exploration coul create 2,500 jobs

By Our Energy Correspondent

AS THE campaign to save 1,300 jobs at Laing Offshore's oil platform yard, Hartlepool, intensified yesterday, a report was published by the Welsh Office suggesting that 2,500 jobs could be created within the next four years by Celtic Sea oil and gas exploration.

Mr. Anthony Wedgwood Benn, Energy Secretary, has agreed to an emergency meeting with shop stewards at Laing Offshore. The meeting has been provisionally arranged for Tuesday.

The move comes after the announcement by the c on Tuesday that it pla reduce its 1,800 workfo 1,300 over the next four because of the critical s of orders.

Work on its only con platform for the Burmah Thistle Field, is due to pleted in July.

Laing Offshore said th of the remaining 500 jo dependent on a new orde placed by the Maratho pany for a structure to in the Celtic Sea.

ICI chief has strong doubts over planning agreements

BY RHYS DAVID

STRONG DOUBTS over the likely effect on industry of planning agreements as outlined so far by the Government were expressed yesterday by Mr. Rowland Wright, chairman of ICI, at an Industrial Society lunch in London.

Since its inception, ICI had sought to co-operate with governments but its goodwill had now been put under strain by "this particular measure of the present Government," Mr. Wright said.

The company was far from disagreeing with the aims behind planning agreements and had for many years itself initiated talks with government departments about long-term plans.

"It is a dialogue we welcome and would hope to improve, especially as there now appears in Government thinking an apparent desire to match the quality and extent of our information with similar data from their side.

"Equally we are constantly seeking still more effective ways of sharing these plans with our own employees."

The process was delicate, involving trust and mutual confidence, and ICI would prefer to be free to develop the process in ways it was confident would succeed, he said.

Still vague

"We are dealing with human relationships and if you formalise these and enshrine them too coldly in legal annd quasi-legal procedures you do so at your peril."

The concept of a planning agreement as outlined so far was still extremely vague. As a result, it was not possible to know what forms they would take, who would be a party to them, whether there would be sanctions, or whether they would be truly voluntary and what benefits would emerge, he added.

"Until this is made clearer, as prudent businessmen we cannot form even an interim judgment about the wisdom of confusing employer/employee relations with those industry and Governme

Mr. Wright also told th ing that there was ins recognition within societ role industry plays in ge wealth and thereby hel eliminate poverty and h

This might be becau public companies had being generators of wea as a result of some gov baling-out operation had become net consumers of

GKN Sanke jobs cut

GKN SANKEY'S Works at Bilston, near hampton, is to cut its w by 150. The compan makes parts for small motors, blames the deci severe cut in orders be the decline in the elec dustry.

Tory call for big cuts in public expenditure

Y RICHARD EVANS, LOBBY CORRESPONDENT

PUBLIC spending cuts and assive transfer of resources ompany profits are advocated Conservative Party policy r published yesterday.
Geoffrey Howe "shadow" ncellor of the Exchequer in- ucing the document at a minster Press conference, ned that to-day's Govern- White Paper on public ding was unlikely to meet requirements. Its proposals d be too little and too late.
his view any major cuts d be effective only if imple- ed immediately rather than 1977-78. Spending cuts d at the middle distance ys tended to slip away.
were public spending cuts d have a harsh effect over de area including social ces and roads, but was im- ble for a "shadow" Chan- to be more specific ut having access to all the and forward projections.
at Britain needed was a atic reversal of the long-term decline in profits. This would come about only if Government spending was massively reduced so that money resources could be switched into investment well before any upturn.

The Conservative paper posses a series of acid tests the Opposition will apply to the Government cuts, including whether the public sector would be taking a smaller real share of the nation's resources, whether this trend was planned to continue for several years, and whether the Chancellor had created enough room for real profits and investment to increase substantially.

The paper was written by Mr. Adam Ridley assistant director of the Conservative Research Department. It has been discussed by the "shadow" Cabinet and clearly represents the mainstream of party economic opinion.

Politics Today: The problem of public expenditure; Conservative Research Department. 30p.

CBI urges neutral Budget from Healey

NANCIAL TIMES REPORTER

CONFEDERATION of Industry is to see Mr. Healey, Chancellor of the quer, next week to urge to introduce a broadly l Budget in April.
Confederation, whose l yesterday approved a of recommendations to de to the Chancellor in the budget representations, is s that fiscal action in the xt Budget should be con- o helping investment and ny profitability through ng Corporation tax and measures.
action to cut income taxes ate demand should, it feels, ayed until the next phase e Government's counter- on policy becomes clear ummer.
own views on the next —that wage awards should stricted to much lower and should be expressed centages rather than flat mits—have already been ated. But it doubts that ions can commit them- at this stage and, without commitment, argues that g should be done by the ment which could upset sent reduction in inflation

main recommendation will be making for the will be the reduction of tion tax to 45 per cent.; n of Stamp Duty on loan issues; phasing out of d control; improvement k relief and indexation of pital gains tax.
riginal suggestion in the economic policy commit- the cost of these changes h could amount to as s £1,000m. in lost revenue ng to some calculations d be offset by a rise in ndard rate of VAT to cent. was dropped by the uncil, which thinks that should be met by reduc- n public expenditure.

The most controversial point will be its suggestion that Corporation tax should be reduced to 45 per cent. While the CBI argues that the cost of this may amount to no more than about £250m. when stock allowances are taken into account, the Treasury believes that the cost would be very considerably higher than this.

Yesterday's council meeting also came out strongly against the concept of devolution and more particularly any move to devolve industrial policy-making to Scotland and Wales.

Reflecting both the broad opinion within the Confederation and its Welsh and Scottish Councils, the CBI argues that devolution can only hurt industry by adding one more intermediate level of Government and raising the costs.

Accepting that some form of devolution may be introduced for political reasons, the CBI supports the Government's proposals for keeping economic and industrial policies in central Government; urges that the question of Welsh and Scottish devolution be considered entirely separately; and warns against any attempts to make industry bear the costs.

In another meeting at the CBI London headquarters yesterday, leading industrial companies with interests in Northern Ireland met Mr. Merlyn Rees, Northern Ireland Secretary to discuss the situation there.

The meeting, at Mr. Rees' request, was held mainly to reasure industrialists of the Government's firm intention of remaining in Northern Ireland and continuing economic support.

Industrialists, while apparently expressing their belief in remaining too, did state concern over the higher costs of manufacturing in Northern Ireland because of such factors as heavier electricity charges and transport costs.

RHODESIAN CABLES LIMITED

(Registered in Rhodesia)

NOTICE TO SHAREHOLDERS
INTERIM REPORT—YEAR ENDING 30th JUNE, 1976

he unaudited profits for the half-year ended 31st mber, 1975, compared with the half-year ended 31st mber, 1974, and the year ended 30th June, 1975, were ows:

	Half-year ended 31.12.75 Rhodesian Dollars	Half-year ended 31.12.74 Rhodesian Dollars	Year ended 30.6.75 Rhodesian Dollars
before taxation	864,000	901,900	1,881,400
ion for taxation	371,600	411,400	873,900*
'rofit	492,400	490,500	1,007,500

e comparative figures for the half-year ended 31st mber, 1974 have been adjusted to take account of the se in the rate of taxation from 40 cents to 44 cents dollar applicable for the 1976 fiscal year (accounting nded 30th June, 1975) announced subsequent to the ation of the 1975 interim results. Provision for taxation e year ended 30th June, 1975 includes taxation at the rate and an amount of Rhodesian dollars 64,000 under- ed in the previous year as a result of the 10% surcharge on tax payable for the 1975 fiscal year (accounting nded 30th June, 1974).

NESS

uring the period under review the demand for insulated was high but because of the economic conditions during riod there was no real growth in this market. Sales nsulated products for the six months decreased con- ly; but as these products do not contribute significantly its the results for the half-year were not proportionately d.

e-tax profit for the six months was reduced by sian dollars 37,500, but a lower provision for taxation d in a marginally higher figure for earnings
e level of business on hand at the 31st December, was satisfactory and since it is anticipated that the ntake for the current six months will not decline the for the second half of the year should at least match or the six months to December, 1975.
is not yet possible to make any forecasts for the ng financial year.

Henry McDowell
K. Taylor

ARATION OF INTERIM DIVIDEND

tice is hereby given that an interim dividend, number the rate of 15 cents per ordinary share has been d by the Directors payable in the currency of Rhodesia reholders registered in the books of the company at se of business on 12th March, 1976. Dividend warrants posted on or about 9th April, 1976.
e transfer books and Register of Members will be from 13th March to 26th March, 1976, both dates e.

By order of the Board,
M. F. Driver,
Secretary.

Road,
gton,
y.
bruary, 1976.
Transfer Secretaries:
esburg:
muel Registrars (S.A.)
ited,
ner House,
Street,
esburg.

London:
Hill Samuel Registrars Limited,
6 Greencoat Place,
London SW1P 1PL.

Britain banks on every L-1011 TriStar.

Export value of the Rolls-Royce RB.211 Programme

Production Engines	£224,832,000
Spare Engines	£ 51,984,000
Spare Parts	£ 55,363,000
	£332,179,000
Less British Airways Purchases	£ 16,409,000
Total	£315,770,000

The relationship between Lockheed and Rolls-Royce benefits both sides of the Atlantic.

Every TriStar sold means another three RB.211 engines from Rolls-Royce.

If you look at the chart, you'll see engines, spare engines and spare parts play a big part in the British economy — more than £300 million worth of sales to date.

Six of the world's ten largest airlines have ordered TriStar. The most reliable and quietest of the big jets. And the popularity of TriStar has meant success for Rolls-Royce.

And because of its advanced technology it is the big airliner with the big future.

The RB.211 has become the largest export programme in British aviation history. If Lockheed and Rolls-Royce (1971) Ltd. continue their productive relationship, there's a lot more export history to be made.

Britain can bank on it.

Lockheed TriStar

The big airliner with the big future.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● ELECTRONICS

Single tuner for TV

FULLY integrated, a wide-band channel selector embracing the entire VHF/UHF region (40-950 MHz) has been developed by Philips.

Evolved for this purpose was a new series of silicon integrated circuits capable of resolving the problems arising in integrated circuits handling these very high frequencies. The substantial integration of the channel selector has led to a more compact and greatly simplified construction.

Whereas two tuners were hitherto required for the complete TV band, this integrated channel selector covers on its own, without switchover, the region up to 950 MHz. Excellent signal-processing and signal-to-noise properties cover situations in which, due to an abnormal strength or weakness of the signals to be received, special tuners were hitherto required.

With integration according to current planar silicon techniques, the devices could not operate satisfactorily at the very high frequencies here desired. For this reason an air insulation technique was chosen. The advantage of this is that the parasitic coupling effects between the components of the circuit are greatly reduced. Furthermore, the parasitic capacitance of the wiring on the ICs is considerably lessened by the employment of multi-level wiring.

The circuits are mounted together with the other components, such as oscillators, on a substrate of aluminium oxide provided with a pattern of strip conductors. The chips having beam leads of gold, reproducible mounting of high yield is possible.

Philips on POB 523 Eindhoven, The Netherlands.

Rotating table with display

A SERIES of rotary work-holding tables, each with a free-standing electronic digital display unit showing the angular position to one second of arc, has been introduced by Horstmann Gauges, Brassmill Works, Bath BA1 3JH (0225 26206).

The tables, which can be mounted with the axis or rotation in the vertical or horizontal plane, are said to have applications where space is limited, such as on jig boring and jig grinding machines. Standard accuracy is stated to be ± 3 seconds of arc. Zero can be set at any point, and the table has eight T-shaped slots for attaching workpieces.

Rotated by a hand-wheel incorporating a fine adjustment for final setting, the table can be locked in any position by two mechanical clamps. The tables are available in four standard sizes—300, 400, 500 and 700 mm, with recommended maximum loads from 360 to 615 kg.

● DATA PROCESSING

Paper data turned into drawings

GOULD Plotmaster is a plotting package to run in conjunction with IBM 360/370 computers. Available in the U.K. from Nanotek in association with Gould Advance, the system incorporates the Gould high-speed electrostatic printer/plotter and can generate alpha-numeric information at speeds of up to 3,000 lines per minute, as well as generating engineering, scientific or business information in graphical form.

Plotmaster is easy to use in business applications, where it can be incorporated into existing systems with little disturbance. It is a relatively simple matter to replace a stack of computer printout with a few charts. A business graphics package display, can generate line and bar charts and because it has the ability to recover from input coding errors and produce an acceptable chart, reprogramming is minimised.

The language itself is composed of simple English-like commands. This eliminates the need for special coding, forms and key-punching instructions.

The basic Plot graphics package is capable of generating background grids, variable line weights, automatic stripping, text annotation, and erasure of previously programmed line segments. All software is written in assembler language to conserve internal storage and make maximum use of the main computer, but each sub-routine package can be called up in Fortran for ease of operation and efficient input preparation.

Gould Advance is on 0279 55155.

Incoterm joins Data General

AN ALLIANCE which is bound to have considerable effect on the minicomputer and terminal markets is that of Data General Corporation and Incoterm Corporation.

Agreement in principle has been reached by which Data General Corporation will acquire Incoterm on the basis of 2½ shares of Incoterm common stock for each share of Data General stock.

The proposed acquisition is subject to definitive agreement by both companies, approvals of the respective boards of directors and of the stockholders of Incoterm.

Incoterm, listed on the American Stock Exchange, is a manufacturer of intelligent terminal systems with sales and service offices in principal cities in the U.S., and abroad. Data General Corporation listed on the New York Stock Exchange, is a manufacturer of small computer systems, based in Southboro, Mass.

● METALWORKING

Progress with forged titanium

PROGRESS WITH the development of isothermal forging of titanium is leading to increased use of components produced by this method in the construction of both military and civil aircraft.

Leading work has been carried out by McDonnell Douglas and the Air Force Materials Laboratory in the U.S. This company is forging torque ribs for the horizontal stabiliser of the F-15 Eagle fighter by this method. Seven of these aircraft already have such ribs, and the company says that from next month the technique will be used for all production F-15s.

In isothermal forging, both the titanium billet and the dies are heated to about 920 deg. C. This maintains the workpiece at its optimum forging temperature so that it can be forged into more highly detailed shapes. Special nickel alloy dies are needed to withstand these temperatures. Main advantage of such forgings is that final machining is reduced to a minimum. Conventional forging of titanium, a difficult and expensive metal to fabricate, usually requires considerable machining of the component.

For example, the McDonnell Douglas torque rib forgings weigh only 24.4 lb., compared with the 45.3 lb. obtained by conventional forging techniques. The cost of machining the lighter forging down to the component's final 5.7 lb. is 27 per cent. less. The company expects the technique will ultimately be developed to a stage where forgings require little or no machining.

Applications of isothermally forged parts in civil aircraft require the assurance of a reasonably long production run, or the use of a large number of similarly shaped parts in each aircraft, before the technique can be considered economic. This is because the initial cost of the heated die is much higher than that required for conventional forging.

McDonnell Douglas, which has a U.K. office at 66, Goldsworth Road, Woking, Surrey, GU21 1LQ (04862 71311), has used the process in civil aircraft to produce an 8-inch corner fitting, used in some DC-10s.

The forgings for MCD are made by the Ladish Company, Cudahy, Wisconsin, which is developing expertise with the isothermal technique, and supplies such forgings to other customers, for example, as a B-1 bomber wheel for the U.S. Air Force.

Other U.S. companies which have been using the process include Wyman-Gordon (forgings for General Electric jet engines), Pratt and Whitney, and International Harvester—it is understood that the last named has also been using the isothermal aspect for extrusions and rolling.

In the U.K., work has also been progressing on isothermal forming of titanium (and of nickel-based alloys), in particular at Daniel Doncaster and Sons, Birely House, Sheffield S6 1ET (0742 345261). Here, it is understood, forgings have been made of about 20 to 30 square inches in plan, weighing "a few pounds."

The advantages that might be achieved by using titanium isothermal forgings are vividly illustrated by the Concorde, in which titanium components are widely used. For each Concorde, Imperial Metal Industries, Birmingham, supplies British Aircraft Corporation and various other fabricators (including Rolls-Royce for use in the Olympus engines) some 30 tons of various titanium alloys.

By the time this metal has been forged and machined the final weight used in the aircraft is only 4.7 tons. In some of the machining operations only 4 per cent. of the metal remains in the final component. With isothermal forging this metal consumption could probably be halved.

Concrete holds saw steady

A CONSTRUCTION concept, known as Vibra-Sorb, using steel or cast iron sections filled with special concrete to increase weight and dampen vibrations, helps the TF-14 cut-off bandsaw or four times the speed of similar conventional machines. to operate, it is claimed, at three in./min. in mild steel, and 7 to Typical cutting times are 12 sq. 9 sq. in./min. for pipe and structural steels.

The method of construction was developed by the DoAll Company, of Des Plaines, Ill., U.S., following its experience with black granite which was used for columns and bases of metrological instruments and precision machine tools. The concrete achieves a similar damping effect at much less cost.

Maximum capacity is 14 x 14 inches square steel bar, or round bar up to 14 inches diameter, to a guaranteed accuracy of flatness within 0.002 in. per inch. The saw frame can be tilted to a maximum of 45 degrees either side of vertical for angle cuts. Marketing in this country is by DoAll Company (UK), Barton Road, Bletchley, Bucks, MK2 3JE (0908 71666).

● PROCESSING

Robot has 10 ft. reac[h]

ONE OF the most p[...] robots available is being [...]strated in the U.K. for [...] time by Unimation, of [...] Shropshire, at the Inter[...] Robots Conference to b[...] at Nottingham Universit[y] March 24-26.

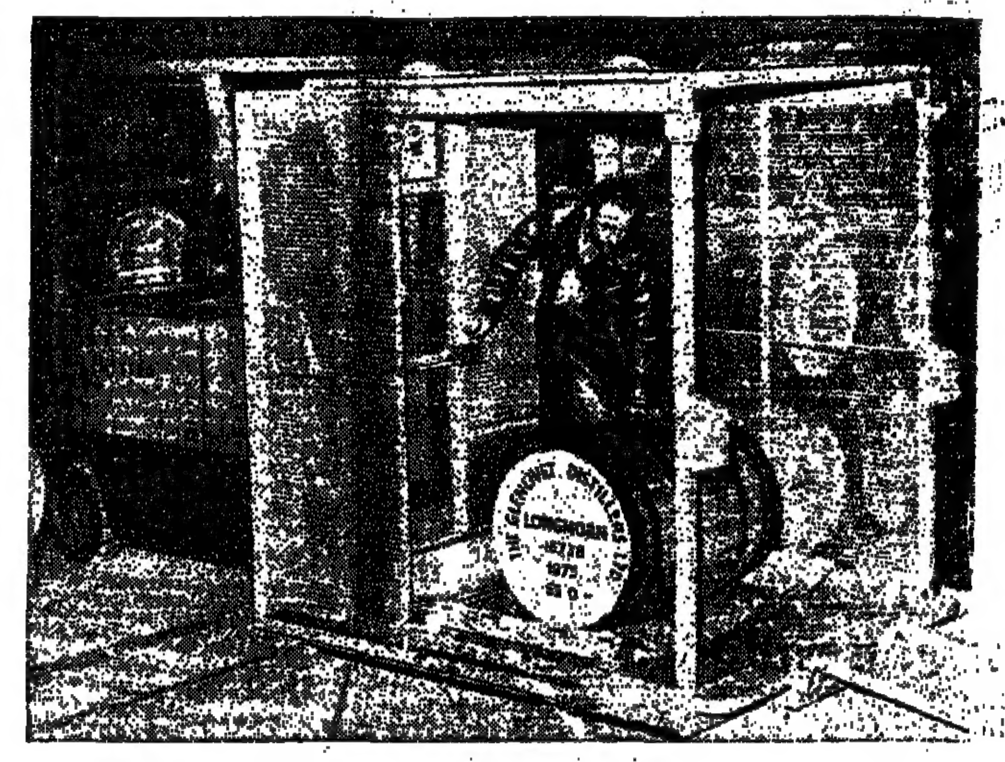
A Unimate industrial [...] Series 4000, it will be [...] delegates from 20 countr[ies] will attend the t[...] sessions.

The Unimate 4000 ha[s] [...] feet reach and load cap[...] up to 160 kilos. A 6-axis m[...] it is capable of six ful[...] grammable movements: [...] radial, rotation; and thre[e] movements: bend, swiv[el] yaw.

The Unimate can be fit[ted] two hands on one wrist [...] ensures it does not was[te] putting down one part [...] manipulating another in[...]tion.

The first of these robot[s] ordered for the U.K. is [...] used in an investment [...] application for Howmet [...] Components Corporation [...] European Division).

Unimate is on 0952 595[...]



An electrohydraulic control package for lift trucks has been introduced from the U.S. by Moog, P.O. Box 8, Runnings Road, Cheltenham, Glos. GL51 9NZ (0242 53224), to provide remote control of lift/lower functions from a platform fitted to the forks. In its first U.K. application the unit has been fitted to a Hyster truck modified for whisky cask handling at Glenlivet Distillers, Longmorn, Fife, by Hyster's special products engineering department at Irvine, Ayrshire. Used in conjunction with a hand control, it allows the raise and lower functions of the truck to be controlled with complete safety by an operator working from a caged platform. The control package provides proportional lift/lower control of the platform, with smooth transition from inching to full speed in either direction. This picture shows the cage with one door removed to show the control system. The equipment would not normally operate like this.

● COMMUNICATIONS

Designed to entertain and inform

WHAT might almost be termed an internal communications "station" has been designed by the Channel Islands Rediffusion subsidiary Television Research at La Pouquelaye, St. Helier, Jersey.

Facilities available in the unit include public address and wired music facilities, with amplifiers, recording and playback equipment. Also incorporated are alarm systems which may include automatic emergency announcements.

Its first appearance will be at the British Technology for Malaysia Exhibition at Kuala Lumpur in April.

For car or personal messages

ABLE to function as a portable unit carried about on the person or as a mobile car radiotelephone, the MX300 introduced by Motorola Electronics can be supplied in a form to suit various applications.

There are models with up to eight UHF channels, and six interchangeable twist-off battery units are available plus a range of plug-in options.

MX310, for example, measures only 3 x 1½ x 4 inches and is the physically smallest, with minimum battery capacity. The other five models MX320 to 360 will operate either as a portable carried in a special holder on the person or will plug into a vehicle console whereupon the mobile microphone, speaker and aerial connections are automatically made. In the largest model the four-inch-dimension becomes eight inches.

In all the models a light-emitting diode glows red when the transmitter is keyed but dims as battery charging becomes necessary. The controls are labelled with international symbols and the push-to-talk switch is weather-sealed. Inadvertent prolonged keying of the transmitter is automatically shut off after one minute. More from the company at 444, Bath Road, Slough, Bucks SL1 6BB (06286 62427).

Low-cost paging

DESCRIBED as designed "to undercut in price all other paging and public address systems" is an electronic pocket paging equipment from Communications Associates of Exeter.

Miniloop can operate with up to 20 receivers activated by a loop antenna, which is fed from a keyboard encoder-transmitter designed for simplicity of use.

The receiver units measure 96 x 47 x 21 mm, weigh 71 gms and emit two bleep codes on carrier frequencies of 110 and 45 kHz with amplitude modulation. There are three switched volume levels and the audio signal stops after a few seconds to minimise disturbance and maximise traffic. Receivers will operate for about four months over an operating temperature range of −10 to 50 deg. C. from two Mallory RM625N cells.

More than one desk console can be used to call users, and more than one site can be covered via Post Office lines. Minimum purchase price of the system is £43.60 per person, or 19p per receiver per week on rental. More from 7 Bridford Road, Marsh Barton, Exeter EX2 8QX (0392 7033).

● OFFICE EQUIPMENT

Two from Texas

A COMPACT desk-top machine using one-chip technology, the 5100, and a hand-held key-programmable unit with 100 steps and ten memories have been announced by Texas Instruments.

Features of the 5100 include arithmetic entry as found on adding machines, full-sized long travel keys, 0.375 in. high green vacuum fluorescent display and a key which when depressed shows the number of times the "plus" or "minus" keys have been depressed. This facility allows the user to keep place when interrupted in a long column of figures and can also simplify the calculation of averages.

The other machine, SR-56, has an algebraic operating system with easy left to right entry and five levels of parentheses. It is compatible with the PC-100 print cradle allowing complete tracing and printout of any calculator operation.

Over 25 scientific and statistical operations are possible from the keyboard; two looping functions and four levels of subroutines allow advanced programming approaches which, claims the company, are not found in any available keyed-programmed machines. More from 165 Bath Road, Slough SL1 4AD, Berks. (Slough 35544).

● By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.

● SERVICES

Watchdog for the small user

NATIONAL Computing Centre and the Computing Services Association have joined forces to promote overseas British potential in the use of computers.

NCC is seeking to expand its revenues overseas, now running at about £150,000, in the wake of successful marketing of the Filetab and Apse packages as well as virtual world distribution of its training aids.

David Firnberg, head of NCC, has disclosed that the organisation is working in close conjunction with its French and German counterparts, IRIA and GMD, on a number of joint projects. But this co-operation is not likely to lead to the formation of a single pan-European group with the same aims as NCC—namely to promote bette[r] computers.

It seems much more lik[ely] NCC will continue to se[t a] pattern and guide for [...] organisations in countri[es that] have not yet set up this [...] watchdog group, already [giv]ing valuable guidance to [...] on such difficult topics [...] security and privacy.

There is a need in all c[...] for organisations whi[ch are] equipped to give guid[ance to] users in an area like co[...] where the risks of a [...] choice of installation c[...] tion of equipment which [has not] got proper backing c[...] financial disaster. W[...] the NCC is moving in th[...] tion. The advent of [...] processors and in[...] terminals far easier to [...] together by the entre[...] than the equipment they [...] makes a further exten[sion of] NCC functions to provid[e im]partial judgement of [...] promises a necessity rat[her than] a question of further de[...]

Will keep a watch on cash flow

SETTING UP of a computerised sales ledger accounting system for small and medium-sized companies has been announced by Oyez Services, a member of the Solicitors' Law Stationery Group.

The system has been designed for businesses which have at least 1,500 transactions a month and sales figures can be analysed, if required, under as many as eight headings or any combination of them.

All the user of the service has to do is supply information on simple forms which are collected by Oyez. Intermediate reports on sales will be made avai[lable at] least twice a month, alth[ough the] claim is made that repor[ts can] be supplied every day [if there] was a need.

Customers' accounts wi[ll be up]dated right through to [pre]paration of statements wh[ich can] be on the users' headed [...] Oyez says its system, ba[sed on] its Univac 1106 comp[uter, is] extremely flexible and ap[plicable] to almost any business.

With 7,500 customers, feeding 5,000 invoices pe[r month] into the system receivir[ng] payments and requirin[g] statements per mont[h] specifying four variati[ons,] analysis could get the jo[b done] for about £6,500 a year [...] would include VAT analy[sis and] listing of debtors.

The company will oper[ate the] service from its headqua[rters,] 237 Long Lane, London SI[...] (01-407 8055.)

● NAVIGATION

Guide for the small aircraft

INTENDED for small aircraft, a new, simple, avionic system to enable both military and commercial types to be navigated more safely and flexibly, has been demonstrated by Marconi-Elliott Avionic Systems.

AD620 digital navigation system is now being produced by the company's Airadio Division, at Basildon, Essex, to meet operational and safety problems encountered by pilots of helicopters, jet trainers and executive transports.

It makes use of widely-used radio aids on the ground such as VOR/DME and TACAN which normally only provide range and bearing information from a ground beacon. The mi[...] computer in the AD620 [...] however, enables a pilot [...] along any course, without [...] calculations or referen[ce to] maps. The system enable[s ex]isting cockpit instruments [to dis]play all the informatio[n the] pilot needs to steer towa[rds a] designated target or [...] point.

An important and [...] aspect of the AD620 sys[tem is] that the computer can [...] additional information, [...] sources which are con[...] available in the aircraft, [...] compass heading and ai[r...] so as to provide an aut[omatic] reversion to "dead reck[oning]" should the aircraft move [out of] range of the radio beacon [...] enables aircraft to be op[erated] very flexibly, even by trai[nee or] inexperienced pilots, i[n all] weather conditions, with f[...] possibility of error th[an at] present.

هكذا صدر الأصل

Gormley will cut key talks unless miners lift ban

BY ROY ROGERS; LABOUR CORRESPONDENT

[F]URTHER PRESSURE on the [N]ational Union of Mineworkers' [ex]ecutive to reverse their call [fo]r a nationwide overtime ban [wh]en they meet in special [se]ssion to-day came yesterday [fr]om the union's president, Mr. [Jo]e Gormley.

Speaking on a visit to Chat[ter]ley Whitfield colliery in North [Sta]ffs, the moderate NUM presi[de]nt warned that he would not [att]end key talks with the elec[tri]city supply industry and Mr. [An]thony Wedgwood Benn, the [En]ergy Secretary, to-morrow [un]less the ban is lifted.

To-morrow Mr. Gormley, [tog]ether with National Coal [Bo]ard officials, is due to meet [bot]h sides of the power supply [ind]ustry to urge a greater use of [coa]l in power stations.

[B]ut yesterday he stressed that [if] the overtime ban is not called [off] I will not be in a position to [rep]resent the NUM at the joint [tal]ks. How can I go to that meet[ing] with an industrial dispute [dis]rupting our industry and try [to] convince the Central Elec[tric]ity Generating Board that it is [in] Britain's interests to burn [mor]e coal? It would be [hyp]ocritical."

[M]r. Gormley has recalled the [exe]cutive following widespread [reb]ellion against their decision [to c]all the overtime ban from Monday. About one third of [Brit]ain's 260,000 miners have [ignore]d the call, which the execu[tive] made by 11 votes to ten with [two] abstentions and two [mod]erate members absent.

[At] to-day's meeting there are certain to be harsh words between opponents and supporters of the ban, which was called in protest at an NCB decision to run down Langwith colliery in Derbyshire. It is widely expected that the ban will be lifted.

Even if the sanctions had been strictly applied, they would have had little effect on suppliers, as coal stocks totaling some 30m. tons are held by the NCB and its main customers.

Safety work

With miners so deeply divided over the issue, the effects of the action are further diluted. Hardly any coal is produced in overtime anyway, and the main effect of the sanctions would have been felt over the weekend, when essential maintenance and safety work is normally carried out in overtime.

Broadly, the rift in the NUM over Langwith is on Left-Right lines, although the militant Yorkshire area is itself split over the issue, and the traditionally moderate Lancashire miners have lined up with the Left in supporting the ban.

The NCB plans to close Langwith over the next three years, offering the 880 miners alternative work at other nearby pits. The Board maintains that it would be too costly to attempt to prolong the life of the pit once present seams are exhausted—a view supported by an independent mining engineer engaged by the NUM.

Busmen who fear cuts lobby MPs

By David Churchill, Labour Staff

MR. JACK JONES, general secretary of the Transport and General Workers Union, yesterday re-affirmed at a rally of more than 2,000 busmen in Central Hall, Westminster, the union's opposition to proposed expenditure cuts on the bus network.

Following the rally, at which Mr. Jones met some heckling, MPs were lobbied by delegations of busmen from various regions.

The TGWU, which represents most bus workers, says the national network needs a subsidy of £250m. in the coming year to maintain standards, and that only £91m. has so far been allocated.

The proposed reduction in subsidies, Mr. Larry Smith, TGWU national officer for buses, said at the rally, would mean a substantial cut in mileage, with "thousands of redundancies."

'Fed-up'

Mr. Jones said the public was becoming fed-up with the continual decline of bus services. "There is a growing lack of credibility in the bus network."

Bus services should play a key role in a national transport policy, he added, referring to the Government review on the future of the industry which is expected to be published shortly. The union sees buses filling the vacuum created by the decline in rail services.

Mr. Jones attacked the "cheese-paring and ham-fisted" attitude of some local council which had already cut spending on local bus services.

Although he did not refer directly to the Government's economic strategy, he said: "If transport, and especially the bus services, are run down then it will be very difficult indeed to revive industry."

The bus services could become self-financing if increased expenditure was undertaken. The amount of money needed was small compared with other Government expenditure, he claimed.

Terry Kirk

Busmen lobbying their MPs at the House of Commons yesterday over proposed cuts in bus services.

Building apprentices training

EMERGENCY arrangements to safeguard the training of building industry apprentices threatened with redundancy have been agreed by the industry's national joint council.

They have been negotiated following a growing number of apprentices being made redundant by companies going bankrupt or being forced to take drastic economies to remain solvent.

Under the scheme, which is to last 12 months, apprentices can be temporarily attached to other employers who can offer work — but this can only apply where joint training committees are satisfied that an apprentice or trainee is genuinely redundant.

● Building employers were urged to "let more women into the industry" yesterday by Mrs. Betty Lockwood, chairman of the Equal Opportunities Commission.

She told a building employers' conference in London that a whole range of jobs in the industry had been restricted to men only. There were few women engineers, surveyors, bricklayers, plumbers, plasterers, electricians and carpenters, for example, she added.

Formula agreed to end Avon smelter strike

BY LORELIES OLSLAGER, LABOUR STAFF

COMMONWEALTH Smelting Corporation and the Transport and General Workers' Union have agreed on a new procedure for trying to settle a 16-week-old strike at the company's Avonmouth smelter after conciliation efforts by the Advisory, Conciliation and Arbitration Service failed to produce a solution.

The dispute over redundancies, which was made official by the union on November 5, will be submitted to a special panel to be set up under the auspices of the national joint council of the chemical industry.

The Chemical Industries Association, which represents the small and medium-sized chemical industry at national level, is said to be extremely worried about the dispute, particularly since the TGWU recently started picketing a chemical plant on the same site as the smelter, stopping production there as well.

The plant belongs to Imperial Smelting Chemicals, which, like Commonwealth Smelting, is part of the Rio Tinto-Zinc group.

About 600 TGWU members at the smelter started the strike when the company tried to make about 100 men redundant, some of them only temporarily, without having gone through agreed procedures.

Initially, the stoppage had little effect because the smelter was closed down for annual maintenance and repairs, but if it had not been for the strike it would have re-opened in the second week of January.

Production loss

Commonwealth Smelting said yesterday that the loss in production was extremely difficult to estimate. In any case, a 25 per cent. reduction in output had been planned for this year.

During weeks of talks, the union and management have reached agreement on most aspects of the dispute, including the re-instatement of workers declared redundant. But they have so far failed to settle one point. This is the union's demand that those workers who opted for voluntary redundancy yet now want to be re-instated should be allowed to keep their redundancy pay.

Call to ban closed shop agreements

By Our Labour Correspondent

COMPULSORY postal election of union officials and the outlawing of closed shop agreements are the main proposals on the agenda for the Conservative Trade Unionists annual conference to be held in Manchester later this month.

Mrs. Margaret Thatcher, Leader of the Opposition, and Mr. Jim Prior, "shadow" employment secretary, will address the conference at Manchester's Free Trade Hall on February 28.

At least four motions urge repeal of closed shop legislation while three urge compulsory postal balloting of union officials. There will also be calls for the ending of State benefits for strikers or their families, whether the strike is official or not, and for benefits to be in the form of a loan repayable once the dispute is resolved.

Other items on the agenda include calls for introduction of tighter immigration controls and reintroduction of capital punishment for murder or attempted murder.

[K]aufman and unions eye [s]hape of things to come

[B]Y OUR LABOUR STAFF

[TRA]DE UNIONS in the ship[build]ing and aircraft industries [bega]n a series of meetings with [Gove]rnment Ministers yesterday [on] the shape of worker parti[cipat]ion in those industries when [they] are nationalised.

[Re]presentatives of the Con[feder]ation of Shipbuilding and [Engi]neering Unions met Mr. [Gera]ld Kaufman, Minister of [State] at the Department of In[dustr]y, for preliminary discus[sions] following his invitation to [the u]nions to present their ideas. [Am]ong the main topics was the unions' determination to prevent non-TUC unions, such as staff associations representing senior management becoming part of the industrial democracy structure.

The Government is not yet ready to commit itself on this question.

Since it announced its intention to nationalise the two industries, and said it was ready to meet workers' representatives, a number of non-TUC associations have sprung up to the annoyance of the TUC-affiliated unions.

[U]nion call for meetings [i]n working hours

[BY] OUR LABOUR STAFF

[THE] EMPLOYMENT Protection [Act] should be amended to [compe]l employers to allow union [meeti]ngs during working hours, [says] the National Union of [Publi]c Employees.

[The] union will call on the [TUC t]o press for the amendment [in a] resolution to be put down [at th]e TUC Women's Confer[ence] meeting in Southport next [week].

[Wit]h a large proportion of [wome]n among its claimed 560,000 [memb]ers, NUPE says it is diffi[cult f]or women to take part in [union] affairs out of working [hours] if they have family [respon]sibilities.

[As] it stands, the Act entitles [office]rs of independent unions ["r]easonable" time off for union activities, but does not say whether branch union meetings would qualify under this heading. The Advisory, Conciliation and Arbitration Service is discussing the question of definitions with unions and employers.

Lord Rochester elected

LORD ROCHESTER has been elected pro-chancellor of the University Court of Keele University, North Staffordshire. He succeeds Sir Humphrey Browne, who retired in September after four years in office.

British Gas talks fail

By Our Labour Staff

STRIKE ACTION by white collar workers in the gas industry continued yesterday despite the resumption of talks between their union, the National and Local Government Officers' Association, and British Gas on the restructuring dispute.

According to British Gas, about 4,000 NALGO members were on strike yesterday.

The two sides will meet again to-morrow to continue negotiations. To-day, British Gas will see the manual workers' unions, some of whose members have been deprived of earnings of up to £5 a week because of the white collar workers' refusal to co-operate in the implementation of a restructuring agreement until they are promised a pay increase.

BUSINESS AND INVESTMENT OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

Precision engineers in East Midlands offer a

COMPLETE DESIGN AND MANUFACTURING SERVICE

Based upon first class craft skills, excellent design standards and modern machine tools and plant. High quality machine tool capacity and plant immediately available includes –

- Pattern Shop and Iron Foundry capable of producing S G Iron Castings of 2–20 tons.
- Steel, stainless steel, aluminium and titanium fabrications up to 20 tons.
- Capstan, Turret, Centre and Copy Lathes.
- Vertical, horizontal, jig, deep-hole and 4 large floor borers.
- Milling, planing and tape control drilling machines.
- Fully equipped gear cutting shop including MAAG and thread rolling machines.
- All types of grinding including Waldrich-Siegen machines for grinding rolls to very fine limits.
- All backed up by Quality Control, Laboratory, Heat Treatment Plant and extensive facilities for mechanical, chemical and non-destruction testing.
- Extensive stocks of all materials.

We welcome your enquiries for single items, batch production or complete machines.

Please write to:— Department IM, Box E.7407, Financial Times, 10, Cannon Street, London, EC4P 4BY.

P2137

Finance for Private Company Shareholders

If you are a shareholder in an established private company and you or the company require £50,000 or more for any purpose, ring Richard Strong, Charterhouse Development.

Investing in private companies as minority shareholders has been our exclusive business for over 40 years.

Perhaps we can help you?

CHARTERHOUSE

Charterhouse Development Limited, 1 Paternoster Row, St. Pauls, London EC4M 7DH. Telephone: 01-248 3999.
A Charterhouse Group company

! 40,000 Income Plus Profit Sharing !

CANADIAN GROUP

REQUIRE NATIONAL DISTRIBUTOR IN GREATER LONDON

(or surroundings)

to represent and control administration and marketing of NEW CONSUMER PRODUCTS about to be introduced to the U.K. market from N. America.

TO QUALIFY:
You require
1. 1,500 sq. ft. of prestige furnished office accommodation.
2. Sound business background.
3. Modern, positive approach and outlook to business.
4. References and able to lodge a Cash Performance Bond.

WE OFFER:
1. Top world professional marketing directors.
2. OUTSTANDING NEW CONSUMER PRODUCTS!
3. Partnership, profit sharing plan to QUALIFIED individuals.
4. Open credit line on all products within 90 days.

Principals only should apply in writing giving full details of background, references including Banking and Accountants, and full details of existing office facilities etc., to:
The Chairman of:
MATCHING HALL INDUSTRIES LTD.
c/o ANGLO-CANADIAN FINANCING GUARANTYS LTD.
304 EDGWARE ROAD, LONDON, W.2

ARE YOU INTERESTED IN THE SOUTH AFRICAN MARKET?

ARE YOU INTERESTED IN BOOSTING YOUR EXPORT FIGURES THERE?

HOW MUCH DO YOU KNOW ABOUT THIS COMPLEX MARKET WITH ITS VERY REAL VITALITY AND POTENTIAL?

To help you answer these and any other questions about South Africa contact:—
ELIZABETH MAYNARD & ASSOCIATES (PTY.) LIMITED
The Mary Kay Bureau Ltd., 168 Sloan Street, London SW1X 9QF. Tel: 01-235 6121.
Johannesburg. P.O. Box 10122. Tel: 22-8962.
Managing Director: Elizabeth Maynard, MIPR, MIPRA, MAIE, FRSA.

WHY YOU MUST ACT BEFORE APRIL 5

Just three of the things to do before April 5, end of the tax year: 1. Make sure your insurance policy qualifies for relief. 2. If you're self-employed, get cracking with a pension plan. 3. If you're making money over to the children, do so now. £1,000 CTT-exempt gifts carry forward one year only.

All the nitty-gritty of minimising personal and company tax is in the Tax & Insurance Letter. Details of our free trial subscription scheme from: Dept. ITA, Tax & Insurance Letter, 6 Upper James Street, London W.1.

ONE WAY TO BEAT INFLATION

WANTED 2 or 4 reputable companies to share the following premises:
LOCATION
E.C.1. City Border: 2 minutes from Farringdon Station Tube/Main Line.
AREA
2200 sq. ft. comprising of Ground (1600 sq. ft.) and First (600 sq. ft.) floors.
DESCRIPTION
New Regency Style S/C premises. All floor luxury furnished and partitioned. Lift. Gas C/H.
ACCESS
24 hours 7 days week: Controlled, 24 hour Security manned.
FACILITIES
Secretarial Audio and S/H Secretaries (IBM Golf Ball). Switchboard 24 hours manned, own telephone numbers. Telex, Xerox, Conference Room.
LEASE. Yearly renewable)—no premium.
RENT
Includes—Secretarial Services, Heating and Light, Cleaning, Rates, Furnishings.
AVAILABILITY Immediate.
Further information Ring 251-0327 or 251-1176

PLANT + KNOW-HOW

A well established, worldwide active Swiss Company offers:
— Re-raffination Plants for Used Oils
— Plants for Synthetic Resins
— Fruit and Juice-Processing Plants
— Most up-to-date Storage Systems
— Automated Handling Systems
— Powder-Coating Plants

Are you interested in one of the above fields? Then please write to cipher: Y 900'024, Publicitas, CH-8750 Glarus

REDUNDANT & DISCONTINUED MERCHANDISE

Old established Company seeks all types of manufactured goods which are surplus to requirement. Large cash resources available. Immediate decision assured.
M. H. HASSELL & CO. LTD.
21 Hatchett Street, Birmingham 19
Tel: 021-359 2374

Several well-established and
PROFITABLE GERMAN RETAIL ENTERPRISES

in interior decoration, in various large German cities, are to be combined in a chain. A rare opportunity is offered for a financially solid partner to gain, under certain conditions, a controlling interest. Financing possibilities for 3 to 10 mill. Deutsch Mark should be available, according to degree of participation and agreement on size of enterprise. An interesting investment offer for industrial concerns, with the intention of expanding vertically, for merchandising concern, or also for the private investor. Proof of capital requested.
Inquiries to Box F.391, Financial Times, 10, Cannon Street, EC4P 4BY.

NIGERIA

Are you air freighting to Nigeria at rates in excess of 50 pence per kilo?
If so contact Rice International for details of comparable service at less than 50% of cost.
RICE INTERNATIONAL
Market Jew Street, Penzance, Cornwall
Telephone: Penzance (0736) 61343 - Telex: 45608

SMALL SPECIALITY ICE CREAM COMPANY REQUIRED

We would like to acquire small quality manufacturer of specialist ice cream in order to supply approximately 100 of our retail shops. If interested please write
Box E.7437, Financial Times, 10, Cannon Street, EC4P 4BY.

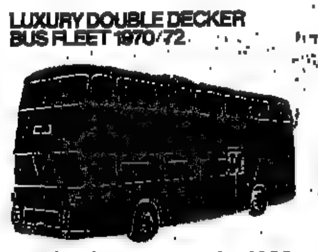
MANUFACTURERS

If you are a manufacturer of a product for which you feel there is an untapped export market then we may be able to assist you in obtaining a share of that market. We are particularly interested in specialised products which may be of interest to government purchasing agencies. We will not waste your time, so if we feel we cannot assist then you will be told so. Initially, forward as much detail of the product as possible, its applications, etc., which we will treat in confidence.
Write Box E.7441, Financial Times, 10, Cannon Street, EC4P 4BY

RELEASE YOUR OWN CASH

BY DISCOUNTING YOUR INVOICES
95% paid by return on approved accounts.
PHONE, MRS. BENNETT
BOLTON 0204 66813/6
Telex 63415

LUXURY DOUBLE DECKER BUS FLEET 1970/72



24 Bristol VRL's with Leyland 680 engine in showroom condition. Immediately available ex. London. 60 seats, fitted w.c., ideal for long distance use or airport transfer service. Options available include: Air conditioning, repainting, technical assistance, parts inventory and shipping. View at London Airport. Details from: Omnibus Promotions Limited 39 Mitchell Street London EC1 Telephone 01 251 1359 Telex 896194 Telexir London Ompro

FOR SALE

The entire holding in a Close Company with an income, mainly from Shop Property in the North West, of approximately £7,500 per annum.
Write Box E.7409, Financial Times, 10, Cannon Street, EC4P 4BY.

CAPITAL REQUIRED

We are an expanding company with the sole selling and manufacturing rights on an internationally used system. Results in 1975 show average monthly turnover of £54,000. Anticipated results with current resources for 1976 £840,000 p.a. We have all the necessary plant and management to ensure we meet our objectives, but urgently require additional capital of £100,000, in return for equity participation.
Write Box E.7431, Financial Times, 10, Cannon Street, EC4P 4BY.

Public Company

will purchase for cash Electrical/Electronic Components Distributors making £50,000/£250,000 per annum.
Write Box E.7420, Financial Times, 10, Cannon Street, EC4P 4BY.

Regional or National Television Repair Network Required for Cash

Write Box E.7421, Financial Times, 10, Cannon Street, EC4P 4BY.

UNIT TRUST GROUP

requires experienced executive to expand their marketing and investment services. Equity participation available for the right person.
Write Box E.7427, Financial Times, 10, Cannon Street, EC4P 4BY.

FINANCIAL SERVICES

company requires control of an investment or portfolio management group or would be pleased to meet suitable party to commence operation.
Write Box E.7426, Financial Times, 10, Cannon Street, EC4P 4BY.

PARTNERSHIP OR MERGER

Established Private Limited Company (£400,000 p.a. turnover) with exclusive U.K. and Ireland Franchises in growth market of Commercial and Industrial Refrigeration offers partnership or merger to person or company with expertise in commercial finance aspects of importation, distribution and sales through O.E.M. Contractor and Wholesaler outlets. *Applications in strictest confidence to:* Chairman and Managing Director, Box E.7423, Financial Times, 10, Cannon St., EC4P 4BY.

OVERSEAS INSURER

wishes to relinquish self-contained U.K. Domestic, Fire and Accident Portfolio (non-Motor). Company would prefer reinsurance cut-off arrangement but would consider sale of portfolio. Gross income £250,000. 300 provincial broker connections: *Enquiries to:—*
NEVILLE RUSSELL & CO.,
24/30 Artillery Lane,
Bishopsgate,
London, E.1 7LR
Marked Reference GFM

THREE COTSWOLD FARMS

Approx. 400 acres inc. 20 acres light industrial Land & 17 investment properties. £550,000 F'hold the lot: 26 Acres Res. Development Land. Oxon. Offers invited: Stone Quarry, Oxon. Large deposits, close major road building works. £85,000 o.n.o.: Parade of 5 Shops, Oxon. Ideal to run under management £88,000 for F'holds & Goodwill: Optical Frames Manuf. seek active investor with capital of £20,000: Ask for Free List of other Commercial & Industrial Opportunities.
Business Sales Limited.
105 Commercial Road,
Bournemouth 26822.

WANTED NCR 31-32-33

KIENZLE ACCOUNTING MACHINES
contact LEN BULLARD
01-857 3611 9.30-6.00
or write with full details to:
82 Broadfield Road, London SE6 1NG.

LIMITED COMPANIES

FORMED BY THE EXPERTS FOR £72
READY MADE £80
COMPANY SEARCHES £2
EXPRESS CO. REGISTRATION LTD.,
30 City Road, E.C.1.
01-628 5434/5/7361/9936

10.5% NETT YIELD CAN. GOVT. GUARANTEED

NO CANADIAN TAX
5 YEAR TERM HOME MORTGAGE $100,000 min. purchase. Primary lender trust co. servicing loan and optional registration, no Can. withholding tax Irvine Abrams, Barrister and Solicitor Suite 518, 500 University Avenue, Toronto M5G1 V7. Canada. Telex 06-22816, Toronto. Cable: Abrams, Toronto. Phone: 416-363-3183.

FUNDS & VIABILITY

A unique and successful service with access to funds is available to Engineering and related Companies experiencing viability or financial problems.
FORBES-DALE ASSOCIATES,
6/8 Old Bond Street, W.1.
01-499 5527/8 Telex 262350

CHARTERED ACCOUNTANTS

Acting on behalf of well established finance company wish to acquire the share capital of a banking company or bring about mutually beneficial association. *Principals only, please write Box E.7405, Financial Times, 10, Cannon Street, EC4P 4BY.*

PRIVATE COMPANY SHARE EXCHANGE

Enquiries welcome from Private INVESTORS wishing to PURCHASE SHARES IN PRIVATE COMPANIES and from OWNERS OF COMPANIES wishing to place ALL OR PART OF THEIR CO. EQUITY. We specialise in MITIGATION OF CAPITAL TRANSFER TAX.
Write or tel. for a personal interview to:
ST. MARTIN-LE-GRAND SECURITIES
Licensed Dealers in Shares & Securities
71, Baker St., London W.1.
Telephone: 01-935 3167/3168

ACTIVE AGEING TYCOON (?)

seeks stimulating activity. As property/financial consultant running own show past 25 years am sick of money-grabbing, rat-race, legislators, etc. Am super negotiator, fast driver, active Christian, Lloyds name, ardent art-lover/antique collector and BORED out of tiny mind. Last year's gross £125,000+. Very open to sensible suggestion. Write Box E.7425, Financial Times, 10, Cannon Street, EC4P 4BY.

HAMPSHIRE COAST MODERN ENGINEERING AND TECHNICAL THERMOPLASTIC COMPANY

requires Production Line Components. To be manufactured under licence—would consider a merger or complete acquisition. Write Managing Director, Box E.7410, Financial Times, 10, Cannon Street, EC4P 4BY.

NEW PRODUCT WANTED

Manufacturing Company, S.W. Development Area, with considerable expertise and technical design ability (small/medium engineering), seeks one additional product to manufacture, with Home and Export potential. Electro/Mech. field preferable, but not essential. Consider outright purchase of product or complete company. Write Box E.7412, Financial Times, 10, Cannon Street, EC4P 4BY.

RAZOR BLADES

factory in Pakistan wants technical assistance to improve quality and to make stainless blades. Contact Post Box 378, Karachi-1/PAKISTAN.

SAUDI ARABIA'S ENGLISH-LANGUAGE DAILY ARAB NEWS

Three months' subscription: £10 (inc. postage)
London office:
St. James's Market, Haymarket, S.W.1
Telephone: 839 6524 Telex: 916059

EQUINE PRODUCTS

Private Company, with well-established brand name and professional marketing expertise, requires some £50,000 to develop the proven UK and Export potential of its range of veterinary and consumer products for horses. Equity and full participation offered to sophisticated, reliable investors. Please write in confidence to Box E.7442, Financial Times, 10, Cannon Street, EC4P 4BY.

INTERESTED IN CAPITAL APPRECIATION AND A GOOD INCOME?

Small group of people required to invest sums of £25,000 or more in business venture. Good security. Capital growth and excellent income offered in return. For further details write Box E.7439, Financial Times, 10, Cannon Street, EC4P 4BY.

ENGINEERING & INDUSTRIAL SUPPLIES (Midlands) LIMITED

The well-known Midlands agents/distributors request enquiries from manufacturers seeking representation for *the sale of a product with good sale* potential to the electrical, heating and ventilation industries. *Contact:*
HAZEL BERRIDGE 0602 411273
157, DERBY ROAD, NOTTINGHAM

FINANCE COMPANY

Purchaser interested in acquiring Finance Companies or blocks of book debts. Any field considered but must be business repayable by instalments. Short term liquidity problems not necessarily a bar to purchase.
Write to Box E.7422, Financial Times, 10, Cannon Street, EC4P 4BY.

SPONSOR REQUIRED

Initial cash backing of £30,000 required for further development of recently filed patent. Fuel saving car exhaust, silent but without silencer. Patentee is experienced specialist.
Write Box E.7417, Financial Times, 10, Cannon Street, EC4P 4BY.

SMALL ENGINEERING COMPANY (Sheet Metal Work)

In West Middx., established over 30 years, considerable funds available, lease terminating in 18 months, would welcome proposals for merger or takeover of complementary business with own premises, or any other suggestion. Write Box E.7418, Financial Times, 10, Cannon Street, EC4P 4BY.

GLOOM AND DESPONDENCY *PREVAILS TODAY* BUT

we are looking to the future and private investors who wish to really prosper in the next boom and participate in an outstanding opportunity.
Write Box E.7376, Financial Times, 10, Cannon Street, EC4P 4BY.

SERVICED OFFICES

AVAILABLE WEST END
Short or long term. Telex, telephone, reception, photocopying, secretarial services.
RING GILLY REDMAN
01-580 5819
for further details

FULL ENGINEERING TECHNICAL & PRACTICAL TRAINING COURSE

already approved by the necessary government depts., with 500 sets printed ready for marketing plus a limited company if required. Completely new approach and comprehensive method. Copyrighted. Region of £38,000. Participation considered.
Write Box E.7398, Financial Times, 10, Cannon Street, EC4P 4BY.

WEST END ADDRESS

(From £2.50 a week)
Mail collection, telephone answering, telex, smart fully equipped offices (short or long term), meeting rooms, secretaries, photocopying.
MINIMISE YOUR OVERHEADS
RING GILLY REDMAN
01-580 5819

ENGINEERING BUSINESS WANTED

W. Surrey/N. Hants with good manufacturing facilities in 10/15,000 sq. ft. approx.
Going concern preferred with some spare capacity.
Write Box E.7408, Financial Times, 10, Cannon Street, EC4P 4BY.

BRITISH PUBLIC COMPANY

seeks to acquire tool distributors and/or builders merchants with turnover up to £500,000. Good prospects for company and staff envisaged.
Write Box E.7424, Financial Times, 10, Cannon Street, EC4P 4BY.

PRIVATE COMPANY

with good connection in petro-chemical industry requires home or overseas procurement work including purchasing, expediting and inspection. Write Box E.7416, Financial Times, 10, Cannon Street, EC4P 4BY.

LOSS COMPANY

CAPITAL GAINS TAX Company
for sale with substantial capital losses gains tax. *Please submit details in* (£500,000+) available for capital *strict confidence to:* Box E.7419, *Financial Times, 10, Cannon Street, EC4P 4BY.*

LEISURE PROJECT

Proven management team seeks active financial partner (£50,000) for unique London based project with appeal to all age groups. Good return and year-round operation.
(01) 491 3100. Write Box E.7434, Financial Times, 10, Cannon Street, EC4P 4BY.

PRIVATE COMPANY WANTED

Substantial funds available for the acquisition of a majority holding. Current profitability of lesser importance than future potential. Present management retained by arrangement. Replies treated in the strictest confidence.
Write Box E.7435, Financial Times, 10, Cannon Street, EC4P 4BY.

RETAIL SECURITY & CCTV

Equity for sale in well established profitable and well respected small company, with first-class management. Non executive founder director wishes to resign and sell his 7½% holding for £10,000. Fellow directors are fully committed.
Please write: MICHAEL HILTON, The Dovecot, Bulford, Salisbury, Wiltshire.

MEDIUM COMPANY

situated South Yorkshire with unique and specialised boring and fabrication facilities with sales outlets both U.K. and International seeks products to manufacture and sell under licence.
Write Box E.7384, Financial Times, 10, Cannon Street, EC4P 4BY.

MERSEYSIDE

Participation invited cardboard box operation opening Wirral, Cheshire. Expertise contracts machinery new premises.
Write:
9 ESK ROAD WINSFORD CHESHIRE

FOR SALE

Manufacturer of bespoke shirts and pyjamas, sold mainly by mail-order. Excellent manager and staff of 25. Turnover approaching £100,000. Profitable. Asking price £25,000. North-west base.
Write Box E.7440, Financial Times, 10, Cannon Street, EC4P 4BY.

INVESTORS required for national tours of plays. Star names. Small or large investments available. Write Box E.7395, Financial Times, 10, Cannon Street, EC4P 4BY.

IBM ELECTRIC TYPEWRITERS. Factory reconditioned and warranted by IBM. Buy—save up to 30 p.c. Lease—3 years from £2.20 weekly. Rent—from £18 per month. Phone Vertex 01-641 2365.

AGRICULTURAL INVESTMENT. 1,200 acres compact block. Let to one tenant. Fine house, cottages, buildings. £520,000 to show 4 per cent. Brown & Mumford, Estate Office, Chacombe, Banbury, Oxon. Tel. (0295) 710019.

POTATOES. Imported Large Selected and Graded. No Small. No Rubbish. 500 Tons on offer 01-594 3724

BACKGROUND MUSIC—all idioms for audio-video cassettes, films, sales presentations, etc. Recordings supplied; copyright clear.—Write Box E.7432, Financial Times, 10, Cannon Street, EC4P 4BY.

FINANCIER ENTREPRENEUR required to form professional team of producer/songwriter-manager to launch record label; production company.—Write Box E.7384, Financial Times, 10, Cannon Street, EC4P 4BY.

LAND—SCOTLAND outline p.p. for houses close Glasgow and beauty spot of renown. Joint development sought.—Write Box E.7415, Financial Times, 10, Cannon Street, EC4P 4BY.

BUSINESS PURCHASE—Source of finance wanted for purchasers, by Surveyor.—Write Box E.7414, Financial Times, 10, Cannon Street, EC4P 4BY.

WAREHOUSING—Inland Facilities available for Storage, Handling, Distribution and Stock Holding. All mechanical handling aids available. 20 miles North of London.—Write Box E.7411, Financial Times, 10, Cannon Street, EC4P 4BY.

FOR SALE—heating appliances, oil fired, about 6000. Very cheap for quantity.—Write Box E.7413, Financial Times, 10, Cannon Street, EC4P 4BY.

SELECTION OF high yielding Secondary Shop Investment Properties available, let on F.R.I. leases with frequent rent reviews. Retail Property Investments Ltd., 47 Peter Street, Manchester M2 6AU. Tel.: 061-834 2510.

ENGINEERING FIRM in North-West Sussex needs £5,000 finance and expertise for marketing developed products. Directorship offered. Principals only.—Write Box E.7433, Financial Times, 10, Cannon Street, EC4P 4BY.

FOR really successful Stock Market investment, subscribe to Britain's most advanced system of share analysis. Details from: C. A. Computer Services, Wadebridge, Cornwall.

PROFITABLE but over expanded small Company seeks £25,000 short term loan —High interest offered.—Write Box E.7436, Financial Times, 10, Cannon Street, EC4P 4BY.

LEGAL NOTICES

No. 6 of 1976
In the HIGH COURT OF JUSTICE Chancery Division, Group A, Leeds District Registry. In the Matter of WORLDWIDE BELZONA MARINE LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 29th day of January 1976, presented to the said Court by MOLECULAR CONSERVATION LIMITED whose registered office is at Epworth House, 25-35 City Road, London EC1Y 1AR, Manufacturers of Anti-Corrosive Materials, and that the said Petition is directed to be heard before the Court sitting at the Chancery Court, County Court House, Albion Place, Leeds 1, on the 5th day of March 1976, at 11.00 a.m., and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.
DIBB, LUPTON & CO.,
6 Butts Court,
Leeds LS1 5JX.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 5th day of March 1976.

No. 3 of 1976
In the HIGH COURT OF JUSTICE Chancery Division, Group A, Leeds District Registry. In the Matter of HADLEIGH AUDIO LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 30th day of January 1976, presented to the said Court by YORKSHIRE POST NEWSPAPERS LIMITED, whose registered office is at Wellington Street, Leeds 1 in the County of West York, Newspaper Proprietors, and that the said Petition is directed to be heard before the Court sitting at the Chancery Court, County Court House, Albion Place, Leeds 1, on the 5th day of March 1976, at 11.00 a.m., and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.
DIBB, LUPTON & CO.,
6, Butts Court,
Leeds, LS1 5JX.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 5th day of March 1976.

No. 00609 of 1976
In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of B.A.S. (BEAUTYCARE) LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 13th day of February 1976, presented to the said Court by MYRAM PICKER LIMITED whose registered office is at Hook Rise South, Surbiton, Surrey, Cosmetic Distributors, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL on the 15th day of March 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.
UNDERWOOD & CO.,
40, Welbeck Street,
London, W1M 8LN.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 13th day of March 1976.

No. 5 of 1976
In the HIGH COURT OF [JUSTICE] Chancery Division, Group [A] District Registry. In the Matter [of CON]SORTIUM INSURANCE & [...] BROKERS LIMITED and in [the Matter] of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN [that a] Petition for the Winding up of [the above-]named Company by the High [Court of] Justice was on the 2[...] of January 1976, presented to [the said] Court by The DOMINION [...] COMPANY LIMITED whose [registered] office is at Melville Street, [...] Insurance Company, and that [the said] Petition is directed to be hea[rd before] the Court sitting at the Chan[cery] County Court House, Albion Pl[ace, Leeds] 1, on the 5th day of March [1976, at] 11.00 a.m. and any creditor or c[ontributory] of the said Company desirous [to support] or oppose the making of an [Order on] the said Petition may appear [at the time] of hearing, in person or by hi[s counsel] for that purpose; and a cop[y of the] Petition will be furnished by [the under]signed to any creditor or cont[ributory of] the said Company requiring [such copy] on payment of the regulated [charge for] the same.
DIBB, LUPTON & CO.,
6, Butts Court,
Leeds LS1 5JX.
Solicitors for the Peti[tioner.]

NOTE.—Any person who [intends to] appear on the hearing of the sa[id Petition] must serve on, or send by po[st to, the] above-named notice in writin[g of his] intention so to do. The notice [must state] the name and address of the [person, or,] if a firm, the name and addr[ess of the] firm and must be signed by the [person or] firm, or his or their solicitor (i[f any) and] must be served, or, if posted, [must be] sent by post in sufficient time [to reach] the above-named not later [than four] o'clock in the afternoon of th[e 5th day] of March 1976.

NOTICE TO CREDITOR[S]

NOTICE IS HEREBY GIVEN [that all] creditors having claims against [the estate] of HENRY LEO DRUCE [...] retired Civil Engineer, of Welli[ngton, New] Zealand who died there on 20[...] 1975, are required to lodge [...] with the Public Trustee of Ne[w Zealand] c/o The High Commissioner [for New] Zealand, Haymarket, London S[W1] on or before the 20th day of A[...]

The claims must show full [...] must be certified as follows: "I hereby certify that the [...] this claim was due and owi[ng at the] date of death of the deceased."

Any claim not lodged by [the above] date is liable to exclusion.

BOND DRAW[INGS]

CHILEAN EXTERNAL LONG T[ERM ...] —LAW NO. 5962

CHILEAN 6% LOAN [...]
NOTICE IS HEREBY GIVE[N that the] Drawing of Bonds of the above [took] place on 10th February 1976 by Mr. Keith Francis Croft Bai[...] firm of John Venn & Sons, No[tary Public,] when the following bonds were [drawn for] redemption at par on 1st Ma[...] from which date all interest [thereon] will cease:—

2 BONDS OF £1,000 NOMINAL EACH—NUMBERS:
29 80

12 BONDS OF £500 NOMINAL EACH—NUMBERS:
505 624 630 631 [...]
1016 1024 1028 1159 [...]

127 BONDS OF £100 NOMINAL EACH—NUMBERS:

1513	1520	1525
1614	1691	1734
1756	1778	1916
2403	[illegible]	2717
2736	2787	2793
2827	3031	3274
3503	3650	[illegible]
4985	5033	5101
5676	5930	6071
6444	6450	6455
6531	6535	6539
6552	6580	6568
6585	6594	6595
6757	6804	6808
7099	7274	7448
7540	7614	7627
7768	7769	7777
8174	8193	8304
8419	8478	8531
8756	8815	9233
9371	9397	9443
10021	10044	10045
10097	[illegible]	10158
10784	11101	[illegible]
11172	11174	11194
11370	11452	

141 Bonds amounting t[o ...] nominal capital.
Witness: K. F. C. Baker, Not[ary Public.]
Each of the above bonds wi[ll be paid] at the office of N. M. Rothsc[hild & Sons] Limited for redemption mus[t bear] coupon dated 1st September [...] all subsequent coupons, oth[erwise the] amount of the missing coupo[ns will be] deducted from the principal to [be paid.] The usual interval of four [...] will be required for examinati[on.]

CHILEAN 6% LOAN [...]
NOTICE IS HEREBY GIV[EN that the] Drawing of Bonds of the abov[e took] place on 10th February 19[76] by Mr. Keith Francis Croft [...] firm of John Venn & Sons, N[otary Public,] when the following bonds wer[e drawn for] redemption at par on 1st [...] from which date all interest [thereon will] cease:—

5 BONDS OF £1,000 NOMINA[L] EACH—NUMBERS
83 291 399 475

7 BONDS OF £500 NOMINA[L] EACH—NUMBERS
682 805 924 968 1058

110 BONDS OF £100 NOMINA[L] EACH—NUMBERS

1502	1602	1733
2060	2307	2420
2535	2574	2656
2857	2880	2922
3035	3168	3205
3556	3817	3984
[illegible]	4560	4570
5063	5161	5179
5191	5196	5207
5222	[illegible]	5228
5241	5242	5351
5536	5749	5756
5875	5912	5954
6210	6250	6274
6398	6368	6387
6505	6613	6628
6946	7000	7354
7560	7575	7643
7821	7858	7907
8066	8540	8793
9009	9128	9308
10045	10193	10755

122 Bonds amounting t[o ...] nominal capital.
Witness: K. F. C. Baker, Not[ary Public.]
Each of the above bonds wi[ll be paid] at the office of N. M. Rothsc[hild & Sons] Limited for redemption mus[t bear] coupon dated 1st September [...] all subsequent coupons, oth[erwise the] amount of the missing coupo[ns will be] deducted from the principal to [be paid.] The usual interval of four [...] will be required for examinati[on.]
New Court, St. Swithin's La[ne,] London EC4P 4DU.
19th February 1976.

RESTAURANTS

When in London visit
PRUNIER
72 St. James's Street, London, SW1
01-493 1972
French cooking at its best—wonderful sea-food, exquisite wines, no music.
Open every day including Sundays (except Bank Holidays)

PERSONAL

LEBANON—DIRECT RELIEF. Innocent people are homel[ess in cold] weather. £2 will feed a fam[ily for a] week. We guarantee that [every £] given will be converted int[o food] given to certified needy fa[milies within] two weeks of receipt, thro[ugh experi]enced welfare workers, witho[ut charge] or deduction for administ[ration. We] have already sent £10,000 [...] help is desperately neede[d ...] given on basis of need on[ly without] regard to ethnic race or [...] your gift please to the Rev. [...] Morgan, M.A., B.D., Chairm[an,] Direct Relief Fund, Bible La[nds ...] (Interdenominational—Est. [...]) Old Kiln, High Wycombe, B[ucks.]

COMPANY NOTICES

GM

DIVIDEND DECLARATION

GENERAL MOTO[RS] CORPORATION

Notice to Authorised Depositaries and to owners o[f]
BEARER DEPOSITARY RECEIPTS
Representing units of one twentieth of a deposited sh[are of]
Common Stock

NOTICE IS HEREBY GIVEN that resulting from [the] Corporation's Declaration of a DIVIDEND of $0.60 ([...]) per share of the Common Stock of the Corporation pa[yable] on 10th March, 1976, there will become due in respe[ct of] BEARER DEPOSITARY RECEIPTS a gross distributi[on of] 3 cents per unit.

The Depositary will give further NOTICE of the STER[LING] EQUIVALENT of the net distribution per UNIT payab[le on] and after 15th March, 1976.

CLAIM FORMS for completion by Authorised Deposi[taries] only, are now obtainable from Barclays Bank Limite[d (address] below) and may be lodged forthwith.

THE CORPORATION'S ANNUAL REPORT FOR [...] Authorised Depositaries are assisting in the distribution o[f the] report to holders of Bearer Depositary Receipts. Copies [may] also be obtained from Barclays Bank Limited.

Barclays Bank Limited,
Securities Services Department,
54 Lombard Street,
EC3P 3AH.
19th February,

هكذا من الأصل

IATA seeks fare scale compromise

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

A FINAL attempt to get agreement on a new scale of fares for the North Atlantic air route from April 1 starts in Geneva to-day.

The presidents, chief executives and senior tariffs experts of 22 member-airlines of the International Air Transport Association who fly between Europe and North America are meeting at the special request of IATA's director-general, Mr. Knut Hammarskjold, to discuss four main issues.

The first is the need for an overall rise in fares averaging about 6-8 per cent., to compensate the airlines for rising costs.

Second, they are seeking a new type of "third-class fare" that would enable them to compete on scheduled services against the increasing number of cheap-fare charters expected this summer.

Thirdly, they want to simplify the fares structure if they can by abolishing the so-called "shoulder" period and having only winter and summer rates.

Finally, they have to settle the question of what fares to allow British Airways and Air France to charge on Concorde.

All four issues are considered vital by the airlines, but no individual one can be considered in isolation—they represent a "package" on which there has to be unanimous agreement, under the IATA rules.

There is little disagreement about the need for an overall fares rise, but there is considerable difference of view about how much it ought to be—some airlines have been talking in terms of rises up to 15 per cent. in some classes of fare, but this is considered unrealistic, because it would drive passengers away. The 6 per cent. to 8 per cent. is a good compromise formula.

The "third-class fare" issue has become acute, because of the introduction this coming summer of the U.S. One-Stop Inclusive Tour Charter or OTC rate, that is expected to generate a new travel boom to Europe from the U.S. on charter aircraft.

Fewer Concorde Bahrain flights

BY LORNE BARLING

THE frequency of British Airways Concorde flights to Bahrain, which are operating at a loss while the onward route to Australia is being negotiated, may be reduced temporarily if flights to the U.S. begin soon.

The decision will depend on when the trans-Atlantic flights begin, not on the losses which are suffered on the Bahrain route, Mr. Henry Marking, deputy chairman and managing director of British Airways, said in London yesterday. He strongly denied reports that the service was losing £50,000 a week.

British Airways' third Concorde is due to be delivered at the end of May or early June and it is hoped to start the trans-Atlantic service on the same day as Air France.

Mr. Marking said that if the question arose of whether capacity should be used on alternative routes, the North Atlantic would obviously get priority. This could happen if Washington flights began by April.

The airline's estimates had never shown London-Bahrain to be profitable by itself. With load factors averaging 55 per cent. of the available payload (but a passenger load of between 30 and 40 due to reduced payload on the return flight) losses were amounting to about £1,600 a week.

These were "out of pocket losses." Figures showed that gross revenue for a round trip averaged about £25,000 after commissions. Fuel and oil cost about £11,500, landing fees £1,000 and maintenance costs, including spares and engine overhaul, about £13,500.

Load factors had been better than expected. "It is the first step on our route to Australia. As such it is very important to us and we have every intention of continuing to operate it."

● Concorde workers meeting in Bristol gave unanimous backing to their shop stewards' plans for protest action over 1,200 scheduled redundancies within the British Aircraft Corporation.

About 2,000 workers left the production line at Filton, to take part in a four-mile protest march the centre of Bristol.

Afterwards, they gave unopposed support to a union plan which will include a mass lobby of MPs in London next week and possible industrial action at Filton.

Mr. Des Lansdown, vice-chairman of the joint shop stewards committee, said that the stewards had received "no response whatsoever" after approaches to MPs and Government officials over the redundancies.

"As from now, we are giving fair warning to the Government and to the company that we are taking action."

PPOINTMENTS

Sir Leonard Neal joins Pilkington

Sir Leonard Neal has been appointed a non-executive director of PILKINGTON BROTHERS. He was chairman of the Commission on Industrial Relations from 1971-74 and before that a member of the Board of British Railways (personnel).

★

Mr. J. Charlesworth has been appointed divisional sales director of the foundries division of the ...IR GROUP. He is eventually to become managing director of export sales.

★

Mr. Nigel Harrison, a director of Thomson North Sea and Thomson North Sea Finance, has joined the Board of THOMSON SCOTTISH PETROLEUM.

★

Consequent on his resignation from the Board of GRA Property Trust, Mr. J. N. Sutton has retired from the Board of J. ...RAL HOLDINGS, to which he was appointed in May, 1974, following GRA's acquisition of a 27 per cent. interest in Coral.

★

Mr. John A. Simmons has been appointed to the Board of MONO CONCRETE, one of the Western group. He is based at the Leicester divisional office.

★

Mr. Leslie Dobson has been appointed chief executive of ...NENCO OVERSEAS, U.K. subsidiary of Montreal Engineering, which now has offices in London as well as Bristol and Manchester.

★

Mr. Rufo O. Gonzales has been appointed a director of BREMAR HOLDINGS, bankers, to take charge of the subsidiaries in the U.S.—Bremar Company and Intervalor Company.

★

Mr. Colin Bishop has joined the Board of the R.K. DUNDAS group as sales and marketing director.

★

Mr. Eric Clark is to be director and general manager of the Traffic and Instrumentation Division of PLESSEY TELECOMMUNICATIONS based at Poole.

★

Mr. L. C. Gunn, investment manager in the U.K. and Ireland, has been elected to the Board of the CANADA LIFE ASSURANCE COMPANY OF G.B. The Board of CANADA LIFE UNIT TRUST MANAGERS has appointed Mr. P. L. Grainge a member of its investment advisory panel.

★

Mr. P. A. de Pinna, Mr. C. M. East, Mr. J. T. Harrington and Mr. D. G. Wheatland have been appointed directors of HARTLEY COOPER, insurance brokers.

★

M.P.I. (HOLDINGS) has been formed to co-ordinate services of the 12 regional companies. Mr. Jack Lowe, of M.P.I. North West, has been appointed chairman and managing director, Mr. James Potter, of M.P.I. South East, a director and secretary.

★

Mr. Patrick Croan has been appointed a director of CHRISTIAN SALVESEN (SEAFOODS). He remains managing director of R. Croan and Sons, Edinburgh, a member of the Salvesen group of which Mr. Robert Croan has been appointed director in charge of production.

★

Mr. E. H. Billie has given up the executive side of his duties as CONSOLIDATED PNEUMATIC chairman. Mr. T. A. Ammer has been appointed managing director. Mr. K. Lall, Mr. J. O. Moeuch and Mr. D. Wheland have formed the Board. Mr. H. S. Parsons and Mr. R. Field have resigned.

★

Mr. J. H. Mayfield, of Leicester County Council staff, has been appointed controller of audit and investigations in the finance division of the BRITISH GAS CORPORATION. He replaces Mr. P. Sellers, who has been appointed finance director of North Thames Gas.

★

Mr. A. G. Read, lecturer in mechanical engineering and a member of Oldham Metropolitan Council, has been appointed chairman of the NORTH WESTERN GAS CONSUMERS' COUNCIL.

★

Sir Robert Clark has been appointed a director of EAGLE STAR INSURANCE.

★

Mr. Richard D. Miles has been appointed an executive director of MERRILL LYNCH INTERNATIONAL BANK. He will continue to head the international banking department.

★

Mr. Russell H. Harrison, managing director of Crawfurd Beck and Amos (Jamaica), has joined the Board of CRAWFURD BECK AND AMOS.

★

Mr. J. Tavare, managing director, and Mr. P. A. Goold, executive director of Whitecroft, the Manchester-based group, have been appointed to the Board of ERIC BRITTON following its acquisition. Mr. E. Britton, chairman, and Mr. W. H. George have retired from the Board.

★

Mr. David Tench, legal officer of the Consumers' Association since 1969, is to be chairman of the DOMESTIC COAL CONSUMERS' COUNCIL when the present chairman, Mrs. S. M. Niblett, retires in May.

★

Mr. John West has been appointed managing director of ABBEY LIFE ASSURANCE.

★

Mr. G. S. Downey has been appointed a Deputy Secretary in the TREASURY, in charge of the divisions dealing with social service and local authority expenditure, in succession to Mr. P. R. Baldwin.

★

Mr. John Billam is to be Solicitor and Legal Adviser to the EMPLOYMENT DEPARTMENT. He is at present Assistant Solicitor with responsibility for industrial relations legislation.

★

Miss Frances Cook, Enfield director of social services, and Mr. Edward G. Hopper, formerly Ealing borough treasurer, have been appointed Public Works Loan Commissioners in succession to Mr. R. H. Moores and Mr. R. Partington.

Halt on airmail to Nigeria

AIRMAIL letters and parcels to Nigeria should not be posted until further notice, the Post Office said yesterday.

The attempted coup d'etat has led to the closure of Lagos airport on Februar y13 and a large backlog of airmail items had built up in London. Surface mail services, which take several weeks to reach Nigeria, were still available.

ACCOUNTANCY APPOINTMENTS

Accountancy Appointments appear every Thursday Rate £10.00 per single column centimetre. For further details Contact James Jarratt 01-248 8000 ext 7155

GENERAL APPOINTMENTS

GENERAL APPOINTMENTS

Director General of Fair Trading

The Secretary of State for Prices and Consumer Protection will be appointing a new Director General of Fair Trading to succeed Mr. John Methven, who is giving up the post at the end of May.

Anyone who would like to be considered by the Secretary of State is invited to write to that effect in confidence, not later than March 8th 1976, to Mr. D. A. Lovelock, CB, Principal Establishment and Finance Officer, Department of Prices and Consumer Protection, 1 Victoria Street, London SW1H 0ET.

Senior Operations Officer

Banking c.£5,000

The London Branch of an Overseas Bank is looking for a Senior Operations Officer, to be responsible for supervising all clean payments and foreign exchange settlements. In addition, the position entails monitoring funds and foreign exchange positions, and carries responsibility for the performance of a small department.

Applicants will be preferred in the 35-55 age band, with broad experience of international banking, the wider the experience the better. Possession of a formal banking qualification will be a strong advantage. Furthermore, maturity of outlook, stability and the ability to develop staff are necessary attributes of applicants.

The salary offered will be around £5,000 per annum, with benefits to include an annual bonus, and non-contributory pension and life assurance.

A consultant is advising on this appointment. In the first instance please write briefly or telephone for an application form quoting reference D6446.

PA Advertising

Hyde Park House, Knightsbridge, London SW1X 7LE
Tel: 01-235 6060 Telex: 27874

A member of PA International

Non-Marine Underwriter

London Market **Substantial Remuneration**

Owned by a prominent British group of the highest reputation, this insurance company has a long record of writing a worldwide non-marine account through Lloyds brokers. Recent organisational change provides the opportunity to further increase the substantial premium income, which leads to this very senior appointment. The new underwriter will be based near Lloyds and, working closely with the chief executive, will plan and implement insurance and reinsurance strategy, with the support of an experienced staff. A considerable reputation in the London market is expected from all candidates. They will be at least in their mid-30's, and those currently at deputy level are also invited to apply. Remuneration will be tailored to suit individual circumstances, and will be made highly attractive for those with an outstanding record at Lloyds or with a company. Arrangements can be made for equity participation on advantageous terms.

(Personnel Services Ref: PF26/5539/FT)

The identity of candidates will not be revealed to our clients without prior permission given during a confidential discussion. Please send brief career details, quoting reference number to the address below, or write for an application form, and advise us if you have recently made any other applications.

PA Personnel Services

Hyde Park House, Knightsbridge, London SW1X 7LE Tel: 01-235 6060 Telex: 27874

A member of PA International

Merchant Banking Corporate Finance

S. G. Warburg & Co. Ltd. propose to make the following appointments to their Corporate Finance Division:-

A Senior Executive, aged between 28 and 35, with experience in a managerial capacity, preferably in a merchant bank.

A qualified Accountant or Solicitor, aged between 25 and 30, with two or three years' post-qualification experience relevant to corporate finance work. Candidates with other related financial experience would also be considered.

Applicants should submit, in complete confidence, a comprehensive curriculum vitae to:-
P. K. Marlow, S. G. Warburg & Co. Ltd.,
30 Gresham Street, LONDON, EC2P 2EB.

Applications are also invited from Executives with appropriate qualifications for the Bank's International or Banking Divisions.

FOX-PITT, KELTON INC.

A N.Y.S.E. firm specializing in banking and insurance industries requires—

1. High calibre executive to expand and service our Continental business. Qualifications are as follows:—
   (a) ages 25-40
   (b) languages—preferably French and German
   (c) prior experience in American securities industry.

These qualifications are desirable but not essential, our emphasis being on the calibre of the individual. Salary will be competitive.

2. Investment analyst to assist in developing our research on German and Dutch banking industries. Qualifications:—
   (a) age 22-28
   (b) German and/or Dutch language
   (c) Background in economics or accounting.

Salary commensurate with age and ability.

Telephone or write to:
Miss Oak, Fox-Pitt, Kelton Inc.,
19/21 Wilson Street, London EC2M 2TA
(01-638 9625)

Hoggett Bowers

Executive Search & Selection Consultants

Investment Analysts

City to £8,000

Our client, a major UK pension fund, has the following vacancies for Investment Analysts in its enlarged corporate research unit:

1. UK and Continent

A senior Analyst with experience of several industries is required to assume responsibility for certain UK sectors. The post will also entail monitoring a limited number of continental companies in a variety of sectors.

2. The Engineering Sector

The post will involve the analysis of UK companies in the engineering sector, where relevant experience and/or an engineering qualification would be an advantage.

Ideally aged under 30, the right candidates will hold a degree or equivalent qualification and have a minimum of two years' analytical experience. The fringe benefits are excellent. Both positions are open to male or female candidates.

Please telephone in confidence for a Personal History Form, quoting reference 19037/FT, to Mrs. Indira Brown, 01-734 6852, Sutherland House, 5-6 Argyll Street, London W1E 6EZ. Offices also in Birmingham, Bristol, Glasgow, Leeds, Manchester, Newcastle, Preston, Sheffield and Australia.

Controller - Business Development

London **To £7,000 + Car**

Very occasionally a career opportunity presents itself which combines the freedom of the entrepreneur with the resources of a substantial group. Our clients are part of such a group already highly successful in the leisure industry and entering the overseas market. The role is to help exploit this success by identifying new areas for investment and by optimising existing operations. Aged around 30, applicants must have that combination of discipline (probably evidenced by an accounting qualification or business degree), imagination and extrovert personality that makes for a successful business career. Ref. 335/FT. *Apply to:* R. P. Carpenter, FCA, FCMA, ACIS, 2-4, King Street, St. James's, London, SW1Y 6QL. Tel: 01-930 9982.

Phillips & Carpenter
Selection Consultants

PROGRESSIVE NORTHERN STOCKBROKERS

with offices in Liverpool and London wish to appoint an

INVESTMENT ASSISTANT

to service private client and bank business from their Liverpool Head Office. Although previous experience would be an advantage, we would be happy to consider a young accountant or graduate possessing enthusiasm and ability.

Please write in confidence giving details of age and qualifications to:
T. D. McKenna,
Messrs. TILNEY & CO.,
385 Sefton House,
Exchange Buildings,
Liverpool, L2 3RT

REDUNDANCY

If your company is having to make redundancies let us know. With your co-operation we can give positive help.
For further information telephone 01-839 2271 or write to
Coutts Careers Consultancy,
140, Grand Buildings,
Trafalgar Square,
London W.C.2.

STERLING ACCOUNTS CONTROLLER

YOUNG EXPERIENCED BANKER/ACCOUNTANT

required to control lending and commercial banking procedures of leading merchant bank, c. £4,300.
J. Brauer, A.C.A.,
Bligh Group, 19, Conduit St., W.1.
01-493 8755.

Senior Investment Analysts

Our Client, a prominent and highly respected Member Firm seeks to appoint two experienced senior analysts. The selected applicants will join a successful and specialised research team and will be working with institutional Salesmen long experienced in their fields.

Mining: Candidates will have acquired in-depth knowledge and a high degree of technical expertise with particular emphasis on golds and platinums.

Overseas Trading Companies: A proven capability in this wide ranging sector is preferable but not necessarily essential. A highly competent research background will be a pre-requisite.

Remuneration will be by negotiation but will be sufficient to attract the high calibre senior analysts required to fill these positions.

For full details telephone Geoffrey Mountford on 01-405 3499

Lloyd Executive

Brownlow House, 50-51 High Holborn, London WC1V 6ER

ASSISTANT MANAGER for DOCUMENTARY CREDITS DEPARTMENT

excellent career opportunity exists with P. S. son & Co. Limited for a young but experienced umentary credits specialist to work in this anding department of the bank.

ideal candidate should have a good educational kground, be aged 25 to 30 and have had a imum of six years' experience in all aspects of umentary credits and bills for collection. At an ly stage the successful candidate will be required undertake a wide range of responsibilities conned with the bank's activity in the financing of eign trade, involving personal contact with tomers and supervision of their facilities.

ary, benefits and future prospects will satisfy the itious.

ase reply fully in confidence to the Credits nager, P. S. Refson & Co. Limited, 1 Hobart Place, don SW1W 0HU.

Senior Trader

CHEMICALS

A rapidly growing international trading company with a network of representative/associate offices in the U.S.A., West Germany, the Middle East and Africa requires a senior trader for its chemical trading department.

Applicants must have widespread trading experience in international/home markets and have built up contacts at a senior level among suppliers and buyers. They must be perpared to travel and be able to lead a small team.

An attractive salary will be negotiated with the successful candidate.

Please reply to:
Managing Director,
P.H. Recruitment Ltd.,
42 Upper Berkeley Street,
London, W1H 7PL.

BRENTFORD NYLONS REQUIRE A DIVISIONAL CHAIRMAN

£25,000+

An outstanding appointment is to be made by Brentford Nylons Ltd. with this Main Board position.

The successful applicant will be aged 35-45, and already have great experience and a record of success at top management level, in the textile industry. (Some technical knowledge is essential.)

The appointment will be based in the North, taking direct control of the entire production operation—spinning, dyeing, weaving and making-up—of a range of textile products including: Polyester Cotton sheets, Nylon sheets, Acrylic blankets and allied merchandise.

Naturally, the usual fringe benefits will accompany the salary attached to this very senior position.

Please write, in confidence, enclosing a detailed resumé of your career and accomplishments to date, to:
THE CHAIRMAN, Brentford Nylons Limited, New Headquarters Building, Great West Road, Brentford Middlesex.

GILT EDGED SPECIALIST

Invited to join small well equipped and proficient team in medium sized firm of stockbrokers with excellent institutional connections. Substantial salary and share in the action offered, by negotiation. Applicants must be able and experienced, with proven business achievements, and confident that in the right atmosphere they can extend their successes. Write Box A5437, Financial Times, 10 Cannon Street, EC4P 4BY.

AFRAID TO QUIT?

Progressive Companies Are Always Looking

People who are unhappy in their jobs are usually under-rewarded and under-productive. They also are the most vulnerable when the going gets rough.

So if you've been *thinking* about changing your job, chances are you should *do* something about it. A work situation better suited to your talents is bound to be more satisfying and rewarding—and at the same time more secure.

To find out how to make the most of your talents—and to have greater satisfaction—phone or write for a confidential interview (without cost or obligation) with a Chusid Career Adviser.

FREDERICK **CHUSID** & COMPANY, LTD.

Multinational Consultants In Executive Assessment Development and Career Advancement

Not a Job Placement Service.

London: 35/37 Fitzroy Street, W.1. Phone: 01-637 2298/9.
Paris: 15 Avenue Victor-Hugo, 16. Phone: 553 97-89.

ARE YOU LOOKING FOR A CHANGE?

you are an executive and want an interesting international McGraw-Hill has an up-to-date newsletter for you. The cutive Employment Bulletins reprint recruitment ads for ld-wide executive posts (open to any qualified executive ardless of nationality). These positions are reproduced batim weekly from leading magazines and newspapers in ope and the U.S., and from direct advertisements.

ose the Executive Employment Bulletin for management ncial and administrative appointments—TechExec for technical engineering executive opportunities.

cost is just £13.00 ($35.00 outside U.K.) for a thirteen ek subscription. Send cheque now, specifying which bulletin require to:

EXECUTIVE EMPLOYMENT BULLETINS,
Box 123, International Management,
McGraw-Hill House, Maidenhead,
Berkshire SL6 2QL, England.

SELECTION OFFICER

(Part-time)

We require a Selection Officer for our own organisation, with previous experience of selecting Professional and Technical people in the Building, Engineering and Surveying professions. The appointment will be initially on a part-time basis, but with the prospect of a full-time permanent appointment later.

Please apply in confidence to:
TECHNOCRATS
128 Buckingham Palace Road, London SW1W 9SA

BLUE BUTTON

Institutional Stockbrokers have immediate vacancy for a Blue Button. Write with full details to Box A.5446, Financial Times, 10, Cannon Street, EC4P 4BY.

COMMODITY VACANCIES

FUTURES MANAGER (c. £12,000 basic). PHYSICAL COPPER DEALER (L.M.E. exp. £6-10,000 basic). ACCOUNTANTS (E.C.1., W.1., W.5 and B'ham c. £6,000). EXPORT SALES PERSON (International Travel—milk based products). BACK UP CLERK (W.1., and City c. £4,000). SECY/P.A. (German speaking £3,000+). *Write or Tel: Charterhouse Appointments, 9, Great Newport Street, London, W.C.2. (01) 836 2377. Recruitment specialists for the Commodity Markets.*

COMPANY NOTICES

Curacao Depositary Receipts of PIONEER ELECTRONIC CORPORATION

With reference to the advertisement published on 29th September, 1975 the undersigned, being the Agent of Caribbean Depositary Company N.V. announces that the original shares resulting from the free 10% share distribution have now been received. Curacao Depositary Receipts representing these original shares will be available to holders of outstanding CDR's against surrender of coupon No. 12 on or after 23rd February, 1976 free of charge at the office of the undersigned. Surrender of coupon No. 12 is to take place in such numbers that CDR's of 5, 10 or 100 Depositary Shares or multiples thereof can be obtained.

The undersigned presumes that this share distribution will not be subject to Netherlands Income Tax.

If after 15th May, 1976 any coupons No. 12 are still outstanding, the underlying shares will be sold and the proceeds will be paid in cash less charges. Moreover, the Company have declared a cash dividend of Yen 15 per share for the financial year covering the period 1st October, 1974-30th September, 1975, which will be payable as from 23rd February, 1976 at the office of the undersigned. This distribution, which has been converted into U.S. dollars pursuant to section 4 of the Deposit Agreement, will be available to holders of CDR's against surrender of coupon No. 13 less 20% Japanese withholding tax, to the effect that per CDR: evidencing 5 Depositary Shares $1.96 ($2.09): evidencing 10 Depositary Shares $3.92 ($4.18): evidencing 100 Depositary Shares $39.20 ($41.80) is paid.

The amounts stated between brackets represent the dividend less 15% Japanese tax. These dividends will be paid until 6th May, 1976 but only on condition that the coupons to be surrendered will be accompanied by an "Affidavit" (obtainable with the undersigned), evidencing that the beneficial holders of the CDR's are residents of a country which has concluded a Tax Treaty with Japan.

In the Netherlands dividends will be paid to residents in Netherland's currency at the daily rate of exchange unless otherwise instructed.

Pierson, Heldring & Pierson N.V.
Amsterdam, 13th February, 1976.

CINEMAS—(Cont.)

SCENE 3. 2nd YEAR. THE TOWERING INFERNO (A). Sep. Perfs. Dly. 2.00 5.20 8.40 Lte Show Fri and Sat 11.45.

SCENE 4. Cont. Dly. 1.00 Lte Show Fri and Sat 12.00 Ken Russell's TOMMY (AA) Progs 1.00 3.45 6.30 9.15 Lte Show Fri. and Sat 12.00.

WARNER WEST END Leicester Square. Tel.: 439 0791.
1. HOUSE OF MORTAL SIN (X). Sep. progs. 2.30, 5.30, 8.30. Late show Sat. 11.00 p.m.
2. BARRY LYNDON (A) a film by Stanley Kubrick, starring Ryan O'Neal, Marisa Berenson. Sep. progs. Dly. 2.15, 7.30. Late show Sat. 11.00 p.m. All seats may be booked.
3. OPERATION DAYBREAK (AA). Sep. progs. 2.30, 5.30, 8.30. Late show Sat. 11.00 p.m.
4. AL PACINO in DOG DAY AFTERNOON (X). Cont. progs. 2.15, 5.00, 7.50. Late show Sat. 11.00 p.m.

ART GALLERIES

AGNEW GALLERY, 43 Old Bond St., W.1. 629 6176. 103rd ANNUAL WATER-COLOUR EXHIBITION. Until 20 Feb. Mon.-Fri. 9.30-5.30. Thurs. until 7.

ANTHROPOS GALLERY, Specialists in Ethnic Art. 65-67, Monmouth Street, Upper St Martin's Lane, W.C.2. 01-836 3182. Europe's finest collection of New Guinea, Papuan and Eskimo Art. A new exhibition. Mon.-Wed 10-3. Thurs., Sat. 10-12 midnight. Sunday 1-7 New Exhibition of SHONO SCULPTURES

CARTOON ORIGINALS GALLERY. Large selection of U.K.'s leading cartoonists. The perfect present £6-£40. 5a Gloucester Road, S.W.7. 01-584 2001.

FIELDBOURNE GALLERIES, 63, Queen's Grove, N.W.8. 586 3600. ENGLISH AND SCOTTISH PAINTINGS '75.

REDFERN GALLERY. XX CENTURY GRAPHICS. 20 Cork Street, London, W.1.

ROYAL ACADEMY OF ARTS. The GOLDEN AGE OF SPANISH PAINTING. Until 15 March. Tues.-Fri. 9 a.m.-9 p.m. Sat., Sun., Mon., 9 a.m.-6 p.m. Last adm. 45 mins. before closing. Adm 90p. 50p on Mondays and after 5.30 p.m. on Tues.-Fri. and until 1.45 p.m. on Sun. Students and pensioners half price.

CITY OF LONDON ART EXHIBITION at Guildhall E.C.2. Mon.-Sat 10-5. Until 13th March. Admission Free.

BEDFORD HOUSE GALLERY. THETIS BLACKER BATIK PAINTINGS. 106 Kensington Church Street W.8. 01-229 8156. Tues.-Sat. 10.00-1.00, 2.00-6.00.

PLANT AND MACHINERY

RESALE WEEKLY is Europe's No. 1 journal for used plant and machinery. Ring 01-471 8221-2-3 to-day for your free copy.

PARLIAMENT

'Foreign troops must leave Angola'

Callaghan puts terms for aid to Rhodesia

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

FOR THE first time, the Government yesterday stated the conditions for Britain taking action on Rhodesia's behalf if her fears of Cuban troop aggression and conflagration in southern Africa were realised.

Mr. James Callaghan, Foreign Secretary, told the Commons: "I think the Government would have clear responsibilities in Rhodesia, provided the regime in Rhodesia acknowledged Britain's authority with all that that entails."

This proviso that Mr. Ian Smith and white Rhodesia must abandon the UDI proclaimed in 1965, and acknowledge the territory's status as a British colony, appeared to take a deliberate step further than recent Ministerial pronouncements.

The most recent, until Mr. Callaghan's statement during question-time exchanges, had been that of Mr. David Ennals, Minister of State, Foreign Affairs, who said at the weekend that Britain was not committed to rescuing white Rhodesia in the event of a race war.

Stressing the extreme gravity of the Rhodesian situation, Mr. Callaghan told the Commons that a "very senior British official" had been in southern Africa ten days ago, and that he then went on to Washington to discuss these matters.

After the oreign Secretary had confirmed the announcement earlier in the day of the Government's decision to recognise the People's Republic of Angola and its Government in Luanda, a main anxiety expressed by MPs

MR. JAMES CALLAGHAN

"Clear responsibilities."

was on behalf of Rhodesia.

The seriousness of the situation for him had been pointed out to Mr. Smith and the Europeans supporting him, said Mr. Callaghan. The warning had been emphasised not only by the U.K. Government, but by the Governments of the surrounding African countries.

From the Tory side, it was contended by Mr. Julian Amery, a former Foreign Office Minister, that the Government should make clear that if there were an invasion of Rhodesia from Mozambique "Britain would not be a party to continuing sanctions in such circumstances."

But Mr. Callaghan was not prepared to make such an offer. It was hypothetical what the situation would be if guerilla activity mounted. "I can't see sanctions falling away unless Rhodesia abandons illegality," he added.

But on the fears arising out of the presence of foreign troops in Africa, he agreed with MPs who believed that the future of southern Africa might now be at stake.

Mr. Callaghan called on both Cuban and South African troops to get out of Angola. They represented a potential danger to the neighbouring countries. "Although they may have been invited into Angola by the MPLA, they have not been invited into any of the neighbouring countries," he said.

He was replying to a question put by "shadow" Foreign Secretary, Mr. Reginald Maudling, who urged the need for contingency plans to be made by the Government in the light of the Angolan situation.

Mr. Callaghan suggested that the security and independence of Rhodesia would be best guaranteed and the good life for the people best secured if Mr. Smith and Mr. Nkomo agreed on the basis of the six principles laid down for a Rhodesian constitutional solution years ago.

The Conservative leadership is now considering whether to devote a day of its allocated Commons time to a debate on Soviet aggression—in Africa as well as in other parts of the world—and the future of the policy for detente.

European elections paper under fire

THE GOVERNMENT'S document on direct elections to the European Parliament met sharp criticism in the Commons yesterday.

Mr. Hugh Dykes (C., Harrow E.) said it was "disappointing, negative and defeatist," and called upon the Government to "reaffirm that 1978 is the time for direct elections to a European Parliament."

Mr. James Callaghan, Foreign Secretary, replied: "The purpose of the paper is to bring before the Commons, and the public, questions that have got to be solve din this very important matter."

Mr. Nigel Spearing (Lab., Newham S) said that because the future powers of the European Assembly were unknown, the constitutional implications of direct elections were very considerable. As these were not discussed in the Green Paper, it would be a good idea to present another document to outline the possible effects.

Mr. Callaghan: "I am not an astrologer and cannot forsee the future. The powers of the assembly now are set out in the Green Paper."

Mr. Russell Johnston (L., Inverness) asked what advantages there could be in allowing canvassing for European elections at the same time as local elections since there could be confusion between two such very different levels of government.

Mr. Callaghan replied: "Most countries would prefer elections in May or June." Canvassers who had worked for local elections would not be very willing to carry out another three weeks' work for European elections. "If we run them both together, we probably stand a better chance of getting a decent vote."

Mrs. Gwyneth Dunwoody (Lab. Crewe) said that it would be difficult to get voters to take an interest in electing a member whose constituency would be the size of 10 ordinary Parliamentary constituencies.

Mr. Callaghan commented: "This is a hobgoblin. The powers of the assembly are laid down and fixed by statute."

Snubbed in Paris . . . that's no way to treat Scots banknotes

THAT WELL-KNOWN Scottish concern about money was very much in evidence in the Commons yesterday when all 11 members of the Scottish National Party joined forces to promote a Private Members' Bill on the subject.

It was, of course, another case of the English being unfair to the Scots—but this time it was not Scottish oil which was at stake, but Scottish bank-notes.

Mr. Douglas Henderson (Aberdeenshire E.), who acted as official spokesman for the cause of equality for the Scottish pound, thought it was positively unfair that Bank of England pound notes should circulate freely in Scotland, but Bank of Scotland pound notes should not be legal tender throughout the United Kingdom.

Mr. Henderson admitted that at present the Scottish pound didn't have much weight abroad. At the Gare du Nord in Paris, Scottish banknotes were actually quoted at a lower exchange rate than English banknotes.

But, really, this was the fault of the English again, not the Scottish economy. Officials at the exchange centre had explained that "London is reluctant to take back Scottish notes, so we have had to treat it as a different and inferior currency."

Despite all these aggravations, the Scottish National Party was going to be magnanimous about the whole thing, Mr. Henderson assured MPs. "We are allowing our English friends access to a very important asset by making the currency legal tender. In fact, it is one of the most outstanding assets an Englishman can get his hands on.

"In a few years' time, when we are independent and the pound sterling sinks slowly below the horizon, the Scottish pound will be robust and secure, and there will be a very considerable premium on our banknote."

And just to prove that they were magnanimous too, the listening MPs—nearly all of them English—allowed Mr. Henderson's Bill to have an unopposed formal first reading.

Ministers renew bid for seat belts

BY PHILIP RAWSTORNE

THE GOVERNMENT yesterday renewed its attempt to make the wearing of car safety belts compulsory.

Dr. John Gilbert, Minister of Transport, introduced a Commons Bill that would enable him to make regulations requiring drivers and their front-seat passengers to wear belts.

The Government's plan is to enforce the regulations, after further consultations with motoring and other organisations, by the end of the year.

Ministers claim that there is now overwhelming evidence that if motorists were compelled to wear safety belts, some 1,100 deaths and 10,000 injuries a year would be averted. The total cost to the economy of these accidents, it is calculated, amounts to £80m. a year.

Despite intensive safety campaigns, only 30-40 per cent. of motorists at present use the belts.

The Road Traffic (Seat Belts) Bill, published yesterday, is similar to the measure introduced in 1974 by the then Transport Minister, Mr. Fred Mulley, which failed to reach the statute book because of lack of Parliamentary time.

An earlier attempt to legislate on the issue was defeated in the House of Lords.

It is expected that MPs will be given a free vote on the legislation, which will be debated in about two weeks' time. A Commons motion supporting the Government's move has already been signed by 130 backbenchers of all parties, but there are signs of opposition from some MPs who criticise the use of the law "to control the ordinary conduct of people's lives."

If Parliament passes the legislation, Dr. Gilbert intends to hold further consultations about the terms of his regulations which will provide for maximum fines of £50.

It is likely that some exemptions would be made for tradesmen, for example and, initially, at least, for the drivers of heavy goods and public service vehicles in which fitted seat belts are not yet compulsory.

Pressure to halt IRA arms

EIGHTY-FIVE per cent. of arms found in the possession of the IRA were of American origin, Mr. Toby Jessel (C Twickenham) said in the Commons yesterday.

"I would ask how the Americans would feel if they found that there was an organisation in Europe raising funds to do this sort of thing in the U.S.," he said.

Mr. James Callaghan, Foreign Secretary agreed that this was "a good point." He said that about 85 per cent. of the modern weapons used by the IRA, were of American manufacture.

He said he understood that the fund raising organisation financing arms shipments was called Noraid and that it was raising £100,000 a year.

Mr. Callaghan said: "I don't think that money goes on welfare or helping the sick." The British Government had taken every opportunity to make these facts known to American senators.

Mr. John Lee (Lab. Handsworth) suggested that the aid going to the IRA from America would be a good reason for "bunging U.S. bases out of the U.K."

Mr. Callaghan replied that it was not the answer he would want to adopt.

Minister claims policy triumph

PRICES SECRETARY Mrs. Shirley Williams said yesterday that the counter-inflation policy had made possible the recovery of government by consent, and was the Government's greatest single achievement.

It would be one of the most remarkable achievements of a democratic country if, in a single year, the rate of inflation was more than halved, she told journalists at a Parliamentary Press Gallery lunch.

Left MPs urge break with Chile regime

DEMANDS from Labour left-wing MPs for Britain to break off diplomatic relations with Chile were resisted by Mr. James Callaghan, Foreign Secretary, in the Commons yesterday.

Mr. Robert Kilroy-Silk (Lab., Ormskirk) said that in view of the nature of the "despicable Fascist regime" in Chile, and its actions towards political prisoners, the only honourable course of action was to cut off diplomatic relations and dissociate ourselves completely from the regime.

Mr. John Ovenden (Lab., Gravesend) said the Government should give an unequivocal demonstration that civilised opinion was no longer prepared to tolerate the total disregard for human rights which Chile had shown.

Mr. Callaghan said that the Chilean regime could be in no doubt as to what world opinion felt about the way it had carried on. Breaking off diplomatic relations would not help the Chilean political prisoners who Britain was trying to help, or the refugees, or the 4,000 or so British subjects in Chile.

When Mr. Anthony Kershaw (C., Stroud) asked how much money would be saved by breaking off diplomatic relations with all the countries of whom Labour Left-wing MPs disapproved, Mr. Callaghan said that the saving would be offset by the need to provide a hostel for our ex-ambassadors.

Tory Peer wants State takeover of forestry

THE GOVERNMENT should consider nationalising Britain's woodlands, a Tory peer suggested in the Lords yesterday. Opening a debate on the threat to private forestry by present taxation trends, Lord Lovat urged the State take-over because of the "crippling burden of taxes." He pointed out that in farming, Government Ministers had already recommended that £15,000m. be spent on nationalisati on.

Lord Lovat said there were 45,000 private owners of timber in Britain and 250 State forests.

Capital Transfer Tax had already meant a reduction of 40 per cent. in the number of trees that should have been planted in Scotland last year.

Lord Lovat, whose father was the first chairman of the Forestry Commission when it was set up in 1919, said he wished the Government would become aware of the fact that they ought to start creating the wealth that they spent.

Opposition agriculture spokesman, Lord Sandys, asked if the Government appreciated that the forestry industry needed encouragement and freedom to flourish in the form of grants and considerably reduced tax rates.

Emphasising that the industry was related to the construction industry and the making of furniture, Lord Sandys said he believed that at present prices, the Government could save a lot of money on expensive imports of wood.

Lord Gisborough said: "The Government must realise that strong private forestry is vital to the country to help provide softwood and most of the hardwood, quite apart from the amenity aspect."

He added: "One day the price of timber will shoot up. We must plant now for the year 2030, and take timber out of politics."

Lord Clifford of Chudleigh said that unless the Government altered its tax proposals soon, a large proportion of the countryside would become desolate. There would be a drop in the number of those employed in the countryside and the balance of payments would suffer.

The Earl of Kintore said that, owing to the tax position stopped planting on his 5 of woodland. "I see no planting for the benefit Treasury, be it in th Government, or the Scots they succeed in getting t sort of haggis-republic."

Government Treasury man, Lord Jacques, sa woodland was completely from capital gains tax.

The Select Committee wealth tax had recom that forestry should b pletely exempt from th although it would be Chancellor of the Exche reach a final decision.

On capital transfer t Jacques said that in us tax to replace death d Government had brough a similar tax but wit rates. This, he add equitable financial polic

Lord Jacques said th land had considerable ex from all sorts of tax an "Woodlands do very we the existing tax arran and if there is anything wrong with them, it is not taxation."

Male attitude to abortion can be 'primitive'—Lady Gaitskel

A PEER attacked in the Lords yesterday "the traffic" in Italian women coming to Britain for abortions.

Lord Segal (Lab.), a doctor, and former top Ministry of Health official said there had been an increase of 207 per cent. last year in the number of women coming here from Italy where abortion is a crime.

But Baroness Gaitskell (Lab.) said that Lord Segal's question illustrated "the continued punishing, primitive" attitude of some men.

"They have a punishing attitude to the mother, the child and society, insisting that the mother must have an unwanted child." It was nauseating, when people put this view forward, that they smothered it with Victorian piety.

Lord Segal said the "traffic" in Italian women coming here for abortions undermined the rule of law in a friendly country and fellow-member of the EEC.

Lord Wells-Pestell, for the Government said women from Italy received treatment under the Abortion Act privately in nursing homes which also provided treatment, including abortion for British people.

The Social Services Secretary (Mrs. Barbara Castle), was satisfied, from inspections made and checks enforced, about the standard of care and facilities they provided.

The cost varied between nursing homes and from case to case depending on the duration of the pregnancy and other medical factors.

"It would be *considered* unreasonable if the total cost to a patient in a straightforward case where the pregnancy was of less than 13 weeks' duration was in excess of £100. Many are treated for a total between £60 and £70."

He added that the cent. increase in Italian should be seen in per The increase representa of 3,600, from 1,704 in 5,304 in 1975. Much portant was the dram in this period of th number of foreign having abortions here. 19,912.

The largest factor decline was the change abortion law in France was being considered Italian Parliament to existing law. "If th through, we would estim there will be a fall Italian women are come there was for French w

Sea resources Minister needed—Lady White

THE GOVERNMENT should consider appointing a Minister to be responsible for the total exploitation of the sea and its resources, Baroness White (Lab.), said in the Lords yesterday.

Opening a debate on the need for sea-use planning, Lady White said that Britain, at the moment, was ill prepared to deal with "a complete new range of human activity, including fisheries, mineral extraction and tidal energy."

She said it was inevitable that before long there would be a 200 mile exclusive economic zone for the maritime countries of the world. Because of this, she felt the Government should appoint a Minister to have overall responsibility for sea use planning.

Lady White said that over the years, countries had destroyed fishing stocks in the upper waters. She predicted that eventually we would have to look towards the possibility of deep sea fishing to catch species which up to now we had never thought of eating.

"We do not know enough about it and we have not got enough people who are educated, trained or prepared to look after our interests and to deal intelligently and effectively with the representatives of other countries in this sphere."

From the Opposition front bench, Lord Campbell of Croy said the Government should give urgent attention to the middle water trawler fleet's prospect of going out of business because of the difference between mounting costs and fish prices.

Our inshore fleet was currently passing through a desperately difficult period and herring fishermen had suffered severely from overfishing by other nations.

He also felt that Britain had a role to play in harvesting the riches of the sea bed and he echoed Lady White's plea for a Minister to be appointed with overall responsibility. "There are great opportunities for a country with Britain's experience and maritime potential. We should be preparing now to seize those opportunities."

In a maiden speech, Lord Parry of Dyfed (Lab) said: "The British indigenous fishing industry is in a grave plight. A number of factors have combined to rob this country, particularly Wales, of a resource which was worth millions of pounds."

The fishing industry was unable to compete with the many factors which were limiting the skills and energies of those involved in bringing the fish ashore.

Earl Cairns said the 200-mile fishing zone would make a tremendous difference. If the negotiations on fishing with the EEC were to fail, it would be a disaster for 23,000 fishermen and their families, as well as 100,000 other people employed in the fishing industry.

It would also be a disaster for the housewife and the nation and a major blow to the economy.

Police chiefs attack 'decay of life'

POLICE chiefs yesterday attacked the "decay" in Britain's way of life. Their broadside on governments, the penal system and a general decline in the "stability of our nation" brought a stop-the-rot plea for law and order.

This comes in a statement from the Police Superintendents' Association of England and Wales, and says: "Life style in this country has been allowed to deteriorate over the past 30 years to such a degree that the stability of our nation, upon which our national heritage has been built, shows visible signs of decay."

The police chiefs said: "Unless some positive steps are taken by government — whatever its political persuasion — to cut down the level of crime and violence . . . then the situation for the law-abiding, respectable citizen is bleak indeed."

Liberals try again on rights

A PRIVATE Membe which applies the prov the European Conve Human Rights to Bri was given a formal firs in the Lords yesterday.

Lord Wade (L) who is ing the Bill of Rights said it would "declare alienable rights and lib the subject."

This fresh attempt to the Government to act o rights follows attempts Commons last year when MPs put forward a simil sition without success.

Lord Wade, who has a similar attempts in th House, said: "This time purpose of the Bill is t that citizens of this cou go to a British court if suffering as a result of of the Human Rights tion, without having to the expense of appealin court in Europe."

Lord Wigoder, deput Whip of the Liberal Pe the Government and the vatives had supported t ciple, but had done nothin it. Lord Wade's mea effect, would be a new Rights, defining and pr the fundamental libertie subject.

Rates inquir

COUNCIL officials at No ton are to ask the Price C sion to investigate the p Anglian Water Authority which would mean 50 p increases for some consu

هكذا اصلا الأصل

The Marketing Scene

Agencies face ban

THE Periodical Publishers' Association, which two weeks ago announced that it would withdraw recognition (and thus the 15 per cent. commission) from agencies that were late in settling their bills with its magazine members, is now taking a firm line with those agencies that return some of the commission to their advertiser clients.

As the media scene has become mixed in recent years, and as agencies have had to compete even more fiercely for business, certain agencies have let it be known that they are prepared to deal with advertisers, passing back to them some of the commission in return for their account.

They justify such procedures by arguing that the commission system grew up in the days when media remunerated agencies rather than advertisers, and that it is out of tune with current procedures when agencies should be paid for their actual work rather than a standard percentage.

But the PPA, which represents 000 journals from religious weeklies to the mass circulation women's weeklies, believes firmly in the commission system. It reckons that an advertiser can only be competently advised by an agency able to provide a creative, marketing and media service, and it points to the numerous failures among agencies in recent months as evidence of what happens when the established framework is thrown over for the à la carte approach.

The PPA is now looking closely at three agencies who are believed to have shared their commission with clients. In the first instance they may be warned but if the practices continue the PPA seems prepared to withdraw recognition, which will make it very hard for the agencies to continue.

Most agencies, however, regard the PPA move as window dressing. They claim that few magazines are over-scrupulous when it comes to dealing with agencies or advertisers, who often get the equivalent of the commission if they book direct. It is just that what had been accepted in secret was now becoming over-public, and the PPA is cracking the whip to maintain a facade.

COMMERCIAL RADIO

Small stations go over big

BY ANTONY THORNCROFT

Managing director Donald Brooks in the control room of Radio Orwell.

RADIO ORWELL, the smallest commercial radio station, serving 210,000 people in Ipswich, this week claimed to be the most successful—at least in attracting an audience. Orwell opened in late October and its initial research suggests that 79 per cent. of the potential audience listen in some time during the week.

Such an extraordinarily high figure has brought a quick advertising reward. Monthly revenue is running 25-30 per cent. above expectations, and Orwell now hopes that income in its first year will top £200,000—which is what it costs to operate the station.

It is the local advertisers that have rallied around, especially the shopkeepers, aware that a price of £7 a spot cannot last for ever. In fact, the advertising rates go up by 20 per cent. on March 1, but by then Orwell should have been added to a few more national schedules—at the moment only 40 per cent. of its income derives from national campaigns.

Orwell's success should not be a surprise. It fits nicely into the pattern of the 16 commercial stations now on the air, with Reading and Belfast starting up early next month and Wolverhampton completing the initial network in April. It seems the stations that serve a relatively small area win quick acceptance from both listeners and local advertisers. This has been the experience of Swansea and Plymouth.

In contrast the larger stations, like Capital in London, BRMB in Birmingham, and Picadilly in Manchester, take longer to build up an audience, but eventually get there. They also attract most of the national advertising. It is the middle-sized stations, which need a larger staff but have a more diverse community to stir up, that face the biggest problems.

Not that there are many problems with commercial radio at the moment. January and February have proved very good months, with stations almost doubling their revenue compared with the opening months of 1975. Capital in London, for example, brought in £250,000, exactly £100,000 more than in January 1975. For Radio Clyde the figure was £47,000 as against £22,000 in the corresponding month. LBC reports a doubling of revenue so far this year.

And commercial radio had an encouraging year in 1975, with a net advertising revenue of around £8.75m. This year Terry Bate, who runs Broadcast Marketing Services, one of the time selling operations, is looking for nearer £15m. Eddie Blackwell of the competitive Air Services, which sells nationally on behalf of 11 stations, is also optimistic, and is encouraged by the more sophisticated selling by the local advertising sales teams.

The boom in radio should see it over the planned series of rate increases in the spring. These can be justified by the fact that of the package rate of about 17p a 1,000 adults radio is still very cheap. It is certainly attracting some interesting new advertisers. Part-work magazines have been very active lately; the airlines are coming on air; some consumer durable companies are planning campaigns; and even the Government, through the COI, has bought time in Newcastle, Liverpool and Glasgow.

The one sector that the radio stations are most keen to convince is packaged goods advertisers. There have been breakthroughs recently — Nestle is spending more; Quaker has started to use the medium; Brooke Bond-Oxo is taking part in a couponing scheme on Capital designed to lure on food companies — but grocery manufacturers still do not rival the record companies, retailers, or publishing as supports of commercial radio.

Like most media these days the stations are receiving most of their bookings close to the time of transmission. Indeed they benefit, through their flexibility, from the current desire of advertisers to spend at short notice.

The most exciting development in radio, however, is the belief in some quarters that the Government might give the go-ahead for another six stations before the Annan Committee reports. It was generally believed that the future of commercial radio depended on Annan recommendations. But the success of the network to date, and the fact that the IBA has the transmitters at the ready, has encouraged the view that, in the next few months, six more stations could be sanctioned.

After a bad start Argos is re-launching its catalogue discount stores

Argos seeks Golden Fleece

BY ANTONY THORNCROFT

THIS WEEK Argos is distributing around 750,000 copies of its fifth catalogue. It is a rather different catalogue from the first, which appeared in the summer of 1973 when Argos introduced catalogue showroom shopping—a sophisticated form of discounting—to the U.K.

Few major enterprises can have timed their launch worse than Argos, a diversification of Mr. Richard Tompkins whose previous British innovation, Green Shield stamps, provided him with the cash to try this U.S.-style discount operation. The Argos showrooms operate on the principle that shoppers select their purchases from a catalogue and go along to the store to collect the goods. The showroom is basically a warehouse with a minimal staff, a minimum of display, and a complete absence of frills. In return for their effort in carrying away the unviewed merchandise the shopper gets very cheap prices.

The vital ingredient is ensuring that the showrooms have the lines the customer wants. A few months after Argos started, the oil crisis, the three-day week, and the attendant economic uncertainties completely wrecked the Argos distribution system. Manufacturers just could not deliver the goods and at one time only 40 per cent. of the advertised lines were actually available in the showrooms. Naturally the public became disillusioned.

Argos has spent two years recovering from this very bad start. In the process the merchandise on offer has been drastically thinned down—from 4,000 to just over 2,000 lines—and certain categories, such as jewellery (which was expected, on U.S. experience, to be very important) audio equipment, and expensive cameras have been cut back considerably. The policy change has been to down-trade, leaving the more costly items to specialist shops. On the other hand small electrical goods, hollowware, and toys have been more successful than anticipated, and the range extended. The best selling item at Argos is the Prestige pressure cooker. In the six weeks before Christmas Argos claims to have managed a turnover in excess of £6m., and has been particularly busy with toys, which had previously rarely been offered to the public at a discount.

Buoyed up by the pre-Christmas trade Argos is looking for a profit in 1976, and it is showing its faith in catalogue shopping by opening eight more showrooms, bringing the total to 50. Another of the initial problems for Argos concentrated on the siting of these showrooms. In its desire to build up turnover quickly the company took on some very suspect sites—basements of department stores, converted furniture shops, outlets away from the pedestrian flow.

Argos has tried to get into new shopping centres but local authorities have been reluctant to accept the stores for fear of frightening away the specialist competition. Now Argos is opening in a new centre in Exeter and has hopes for more choice sites in the Arndale Centre at Doncaster and in the main shopping areas of Northampton, Nottingham and Norwich.

Another change has occurred with the catalogues. It costs over £300,000 to print a new edition and to attempt to keep up with price movements there must be two a year. There has now been a drive to reduce the numbers produced by confining the distribution to confirmed shoppers, and by sending catalogues to offices and companies within the catchment area of the stores to serve their entire staff. There are, of course, catalogues on display in the showrooms to attract the passing trade but research suggests that three-quarters of purchases are still planned at home.

Apart from the difficulties in getting stock and sites Argos has also had to face the rapid price inflation of the past two and a half years which can cause turmoil for an operation which offers fixed prices for at least six months. The only solution is good buying, and by adding in the purchasing muscle for Green Shield stamp gifts, Argos can be a very important customer for the makers of consumer durables still the mainstay of the turnover. Few producers refuse to supply and Argos claims that its prices are cheaper than any local competition for over three-quarters of the products on offer.

This is disputed by the operation's major competitor, Shoppers World, the Woolworth diversification which began trading about a year ago and now has 18 stores. Woolworth was working on a catalogue showroom business in Canada before Argos started in the U.K. but it is developing much more cautiously. Next month it will examine the business and then decide on its future.

It has a variety of options as far as the type of outlet is concerned—some Shoppers World have been uneconomic Woolworths stores; others have been off-High Street; and, since the autumn, it has been experimenting in Kensington with a Shoppers World which is in the basement of a continuing Woolworth. This, the first extension to the south, seems to be working well.

Whether Shoppers World offers merchandise at cheaper prices than Argos will be definitely settled when the outlets compete in the same area—at the moment Argos is stronger in the south while Woolworths has been reluctant (apart from Kensington) to extend its spread outside the coverage of its Manchester warehouse. In the main, however, they need each other to pioneer a new type of shopping in an economic climate which is scarcely encouraging.

For both Argos and Shoppers World require a sizeable purchase per shopper to make a success of catalogue selling. The low expenditure from each customer has always been of concern to Woolworths, and with Shoppers World it is looking towards a turnover of about £9 on each sale. Argos has been running at £8.50 a customer. This year, with living standards dropping, both Argos and Shoppers World will have to fight hard to attract any disposable income in the face of competition from holidays and necessities.

John McAuliffe, joint managing director of Argos

Argos may have sorted out the problems at its end—managing director Tom McAuliffe reckons that the average centre holds 96 per cent. of the advertised lines. Now it must concentrate on selling itself. To coincide with the new catalogue it is spending £75,000 on advertising the showrooms in the local Press, with 200,000 leaflets promoting the catalogue, plus £1 vouchers for known customers against purchases of £10 or more. It may take more than a £1 discount to get rid of the most costly items still retained in the Argos catalogue—diamond rings priced at £2,500. Two were set aside in 1973 and two are still available

TV boom continues

THE TOTAL net advertisement revenue of the Independent Television Companies for the month of January 1976, after deductions of agency commissions and discounts was £13,223,318. This is up about 30 per cent. on the January 1975 figure of £9,721,855.

● W. S. CRAWFORD is to handle the London Tourist Board's advertising with immediate effect.

● FISONS is transferring its corporate advertising from Dorland Advertising to Vernons with immediate effect.

● STATE EXPRESS 555, one of BAT's major international cigarettes, is to be launched in the U.K. in March. This will be one of the first entirely new campaigns cleared through the latest ASA code. The agent is Benton and Bowles.

● MARS is launching a new confectionery product, Minstrels, with a £300,000 campaign devised by Ted Bates. Minstrels are based on Treets.

● ALPINE HOLDINGS has appointed Savino and Co. to handle its £300,000 Alpine Double Glazing account. This was held by Leo Burnett Recruitment, who will continue to handle the rest of Alpine's business.

● MAKRO has announced that 1975 was its most successful year in the U.K. In a period when most retailers and wholesalers showed very little growth, Makro recorded a 52.5 increase in sales to £84m. and its share of the cash and carry business rose from 6 per cent. at the beginning of the year to 9 per cent.

● KINGSLAND Lloyd Petersen, the sales promotion company, is opening a South African office which will trade under the name of Heaton-KLP Marketing. Tony Heaton will be managing director.

● VARTA Batteries has chosen Stuarts to handle its advertising in the U.K. The market leader in Germany, the company had been moving quietly here but should now become more active. Stuarts was helped by the fact that it is now a Volkswagen agency, and a half of Volkswagen cars carry Varta batteries. For Stuarts the new account, coming close on its appointment to look after after sales advertising for VW, a new product assignment by Unitech (part of Swifts), and work for the package holiday firm of Carousel, justifies its owner, the largest industrial agency, Roles and Parker, revitalising it as a consumer shop.

NEW PRODUCTS

All change in the kitchen

BY PETER KRAUSHAR, KRAUSHAR ANDREWS & EASSIE

THE AREA of the home where there have been the most violent changes in the last few years has been the kitchen. Having been neglected for many years as the slumming little place where the housewife retires to prepare the family's food behind closed doors it has come into its own. Growth of kitchen storage furniture has been impressive.

In 1963 sales at manufacturer prices were valued at £8m., and accounted for 6 per cent. of domestic furniture turnover. By 1975 it was £112m., and responsible for 23 per cent. of sales. This does not include imports, so the total market for kitchen furniture was about £120m. in 1975. After achieving a peak in 1973, it fell in real terms in 1974 and has been static in 1975, but the industry believes that it will start growing again, though not as fast as before, in the second half of 1976.

What has happened? Why have the British suddenly become interested in their kitchens? There is no one answer, but the market began to develop really fast when Hygena which now accounts for 22 per cent. of sales, launched its self-assembly range in 1969 — Hygena QA — and provided a low cost product of reasonable quality with distribution and stock advantages (being packed flat) which was also available more quickly than the ready assembled products on the market.

Equally important was the fact that Hygena used, for the first time in the furniture market, the marketing approach of a packaged goods company; it brought together executives from such companies; it used market research; it spent heavily on consumer advertising; it went hard for the new breed of specialist kitchen outlets as well as for builders' merchants and department stores, while ignoring the furniture stores for whom kitchen furniture was too small a sector with too low margins to be attractive.

Much has happened in the market since then. All new houses built by public authorities, or private builders, have had kitchen units, thus helping the contract market and persuading the public in general of the attraction of a new kitchen. Other companies have come into the market and competition has become more aggressive and sophisticated. Kitchen units have become more of a fashion article, so that a photograph of a five-year-old kitchen looks almost Victorian. Self assembly has reached 45-50 per cent. of unit sales, although ready assembled units have also grown fast.

Just as Procter and Gamble was at one time the packaged goods university, so Hygena has attracted much successful imitation. Many of its former salesmen are now working for other kitchen furniture companies and its executives can be found in such companies as Grovewood, Eastham and Gower, who are attempting to imitate Hygena's packaged goods organisation.

Grovewood, with some 7 per cent. of the market, Eastham with 4 per cent. and Wrighton with 7 per cent. mostly in the higher priced sector, are all providing much tougher competition and new product activity is significant. In addition to Continental, Hygena has also launched the Estate contract range, Wrighton launched the ready assembled Waltham range, Grovewood has recently introduced Six-5 and SL, and Schreiber has developed the Take and Save range and is now promoting it hard in the context of GEC appliances.

It all adds up to a fascinating competitive market which is a clear proof that it is possible to adopt a packaged goods approach and develop a completely new market in durables.

Colgate aids BSO

COLGATE-Palmolive is moving into sponsorship of the arts. The U.K. company is spending £20,000 to assist the Boston Symphony Orchestra in its visit to the U.K. next month as part of the Bicentennial programme. Other Colgate companies in Europe are also rallying round to the collective tune of $250,000.

Colgate has a philanthropic reputation in the U.S. where it sponsors womens' sporting events and operates a Help Young America scheme whereby youth organisations collect proofs of purchase of Colgate products, and the company contributes cash in return. The company is now involved in helping British youth organisations in its Manchester factory area, and if a pilot operation works there could be national support on the U.S. lines.

PROMOTIONS

Milkmen mix it

THIS week milkmen calling on the 500,000 homes served by Northern Dairies will be encouraging their customers to take an extra pint of milk for the next four weeks. If they do so they will receive money off coupons on a range of products which brings a total saving of £1.

This is a potentially far reaching promotion and is aimed at checking the fall in milk sales since the Government's subsidy was withdrawn last autumn. This has led to the first decline in consumption for almost two years, and makes the Milk Marketing Board's publicity efforts even more crucial. If the Northern Dairies exercise is successful it will be extended throughout the U.K.

The promotion involves two currently fashionable ingredients — coupons offering the consumer savings on leading brands, and also the involvement of a number of manufacturers. Marden Kane has devised the scheme and 20 leading companies have contributed 24 brands. Included are Maxwell House coffee, Birds Angel Delight, Horlicks, Sugar Puffs, Knorr Sauce Mix and PG Tips. The aim has been to get products that are usually consumed with milk, although Walls sausages and Macleans toothpaste are also included.

The attraction to the manufacturer is that the cost of door-to-door delivery (which has risen to between £3 and £6 a 1,000 homes) is very much reduced by using milkmen, and there is less wastage of coupons—provided the milkmen have been suitably instructed. They hope to cover their costs by expanding sales. Some manufacturers, Heinz with Noodle Doodles, Dawnay with Varicety, and Kelloggs with Two Shakes, are also using the promotion to test out new lines.

The gain for the Milk Marketing Board and Northern Dairies is extra sales—a quarter of the homes are expected to take part in the exercise. And, for the housewife, there is a tangible saving on leading brands, so there could be significantly increased sales at marginal cost with the likelihood of the promotion going national with TV advertising support.

A.T.

THE FINANCIAL TIMES
(Established 1888)
Incorporating THE FINANCIAL NEWS
(Established 1884)

Head Office Editorial & Advertisement Offices:
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telephone Day & Night: 01-248 8000. Telegrams: Finantimo, London
Telex: 886341/2, 883897
For Share Index and Business News Summary Ring: 01-246 8026

Birmingham: George House, George Road 021-454 0922
Dublin: 8 Fitzwilliam Sq. 785321
Edinburgh: 18 Hanover St. .. 031-226 4120
Leeds: Permanent House, The Headrow 0532 454969
Manchester: Queens House, Queen St. 061-834 9381
Paris: 36 Rue du Sentier 236.50.59 (editorial) 236.86.01 (business)
Bonn: Pressehaus 11/104 Heussallee 2-10 212506
Frankfurt: Frankfurt am Main, Im Sachsenlager 13 555730 (editorial) 554667 (business)
Brussels: 39 Rue Ducale 129037
Rome: Via della Mercede 55 .... 678 3314
Stockholm: Rinslambsvägen 7, 10[?] 12 Stockholm. Tel: 50 60 88
New York: 75 Rockefeller Plaza, NY 10019 Editorial—212 541 4625 Business—212 489 8300
Washington: Second Floor, 1325, E. Street, N.W., Washington D.C. 202 347 8676
Jo'burg: 637 Union Centre East corner: Pritchard and Harrison Streets P.O. Box 2128
Tokyo: 8th Floor, Nihon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku. Tel: 241 2920

THURSDAY, FEBRUARY 19, 1976

Target within reach

WHICHEVER WAY the figures are analysed, it now seems *highly probable that* the rate of inflation is falling, and falling at a rate that should enable the Government to reach its target of a year-on-year increase of no more than 10 per cent., although whether this will be achieved by the late summer as foreshadowed or some months after that is a matter of conjecture. The further target of a rate in single figures by the end of this year is also within reach.

This is so in spite of the increase in the index of basic weekly wage rates published yesterday. The year-on-year rise to January 31 was 26.2 per cent., compared with 25.4 per cent. in the year to December 31. But a number of lower-paid workers in agriculture, transport, the Post Office, and elsewhere received increases that even under the £6 limit had a temporarily adverse effect. The latest index of average earnings, for December, 1975, shows a 2 per cent. fall in the year-on-*year increase compared with* November, and a fall of 8.3 per cent. since July, 1975. This is a more reliable guide to the trend of labour costs.

Prices

Prices are already rising at a less rapid rate than previously. The December index of retail prices, published last week, stood 24.9 per cent. above the December 1974 figure, compared with a rise of 26.3 per cent. in the index between July 1974 and July 1975. The change looks even better if a six-month period is used as the criterion: excluding seasonal food the index rose by 14.9 per cent. in the half-year to July 1975 (more than a 30 per cent. annual rate) and 6.6 per cent. in the half-year to December (down to nearly 14 per cent. annual rate).

To this extent the Government's strategy is succeeding, although the dispute continues on whether the cause of the success has been the £6 limit, the 1973-74 slowdown in the rate of monetary expansion, the high level of unemployment or a combination of the three. What does seem to be agreed is that the limited achievement so far (limited because inflation at 13 or even 10 per cent. is still very damaging) is fragile: a great deal depends upon the attitudes of both the Government and the trade unions in the coming months.

Public mood

On the Government side the balance between winning trade union agreement to a further year of wage restraint and the need to avoid a reflationary Budget has yet to be struck. The Chancellor has acknowledged the reasons why taxes should be cut; he has also postponed the start of the programme of cuts in public expenditure (to be announced to-morrow) to the financial year 1977-78. *This means* that any reduction in taxation, bought by necessarily vague promises by the trade unions and not matched by expenditure cuts, is bound to carry some risk.

On the trade union side the public mood that has supported a year of restraint is still favouring a new incomes policy agreement, but there can be no guarantee that this will last. The difference in the time lag between the fall in the rate of price inflation and the fall in the rate of wage inflation means that the squeeze on living standards is now being felt by a larger proportion of the population. But as against that the connection between last year's wage explosion and this year's unemployment has begun to sink in. The Government must now give a lead by keeping its own spending and publicly financed wages under control.

Learning to live with the MPLA

THE MPLA has won, or is at least winning, in Angola. Mr. Ian Smith and his Government are losing, or at least beginning to lose, in Rhodesia. What are the consequences for Southern Africa and, in particular, for South Africa itself? The answer, judging by the apparent South African readiness to recognise the MPLA, seems to be that Mr. Vorster is determined to pursue his policy of détente. The alternative, as he said when the policy was first announced little more than a year ago, remains "too ghastly to contemplate."

Breakdown

Mr. Vorster has tried in Rhodesia and almost failed. There may be time for one more effort, but it looks as if Mr. Smith has proved just as obdurate and short-sighted in his contacts with the South African Government as in his earlier negotiations with Britain. Mr. Smith's talks with the African Nationalist leader, Mr. Nkomo, are reported to be on the verge of breakdown with Mr. Nkomo insisting on majority rule within a maximum of three years and Mr. Smith still talking in terms of decades. Even if the gap were less wide, it would still have to be taken into account that Mr. Nkomo represents only the less militant wing of the African National Council. The militant wing has long renounced negotiations in favour of force. President Nyerere of Tanzania, once one of the prime movers in the search for a negotiated settlement, *concluded some time* ago that the chances of achieving one were non-existent and that therefore the militants were right. More recently, President Kaunda of Zambia seems reluctantly to have joined him.

Mr. Smith, not that he had many to lose, is also running out of friends. The Portuguese have gone and, having defied Mr. Vorster, he must now pay the price. The South African Government now has to face the choice of whether to support the white regime in Rhodesia or to seek an accommodation with black Africa. There can be little doubt that it will choose the latter, for the white Rhodesian regime is in fact indefensible. The white population is simply too small to put up effective resistance for long. For South Africa to go to its aid would mean extending its own defence line (and South Africa's defence resources are limited) while inviting trouble on other fronts: for example, Namibia, Angola, Mozambique and possibly even internally.

There may, of course, be trouble in any case and ultimately it is perhaps inevitable. Yet, for the moment, it looks as if the decision has already been taken: having resisted the MPLA take-over, South Africa is now preparing to recognise reality and live with it. Rhodesia, if necessary, will be written off in the process. In the long run this may mean no more than that a wider conflict has been postponed, but the short run also matters and it is unwise to make categoric predictions. So far South Africa has found it possible to live with the Marxist regime in Mozambique. A similar regime in Angola initially at least, will be preoccupied with internal problems of reconstruction and possibly reconciliation. It may find that its own interests too lie in postponing a conflict and it may even dissolve into shambles. Either way, it is a potential, but not an immediate, threat.

Tightrope

South Africa, white South *Africa that is*, meanwhile continues to live on a tightrope; that is in the nature of minority regimes. Mr. Vorster must know this as well as anyone and probably better than most of his electorate: hence the search for détente. For the present he is behaving with great skill: he is aware that the future of South Africa depends on some sort of accommodation with its neighbours. That is the difference between him and Mr. Smith.

The Energy Secretary to-morrow meets electricity and coal industry chiefs and union representatives as a first step towards establishing a national energy policy. **Roy Hodson** reports.

Burning questions on coal's future

Mr. Anthony Wedgwood Benn, Secretary for Energy (centre), with Sir Derek Ezra (left), chairman of the NCB, and Mr. Arthur Hawkins (right), chairman of the CEGB; their talks to-morrow mark the beginning of a long road.

BOTH the National Coal Board and the Central Electricity Generating Board insist that they, and they alone, have the statutory responsibility to take management decisions in their respective industries. Nonetheless, they are welcoming, for the enlightenment they hope it will bring, the public debate on some fundamental energy questions which Mr. Anthony Wedgwood Benn, the Energy Secretary will spark off to-morrow.

Lord Robens as chairman of the NCB in the 1960s, called electricity "coal by wire." With the power industry striving to build stations and burn coal to keep up with a seemingly permanent demand for 6 per cent. more electricity every year this made sense. But now that power stations are standing idle, stocks of coal are piling up because of lack of demand for electricity, and little or no significant growth in electricity demand is expected in the coming year. Lord Robens' dictum needs new consideration.

Mr. Wedgwood Benn is keen to establish an energy policy framework within which the coal, gas, nuclear, and electricity industries, their employees, and their customers can jointly discuss matters of concern to all. He feels that the coal-electricity connection is an excellent point at which to start an exercise in participation.

Marshalling the arguments

Deputations from the two industries and from the trades unions will be at to-morrow's meeting at Church House, Westminster, chaired by Mr Wedgwood Benn, at his invitation. The industries are fielding strong teams, led by Sir Derek Ezra, chairman of the NCB, and Mr. Arthur Hawkins, chairman of the CEGB, for this is expected to be the beginning of a long road.

Mr. Wedgwood Benn has chosen as his starting point an exploration into the possibility of burning more coal in the power stations. The miners are pleased, and the NCB has been delighted to oblige with a paper prepared for discussion. The generating authorities, meanwhile, have had ample time to marshall their arguments concerning their choice of fuels.

Even before the meeting an area of common ground has been agreed. There is a consensus, for example, that electricity demand is not going to go up at anything like the old 6 per cent. a year rate. Indeed, on the most pessimistic forecasts, no growth is envisaged at all. Relatively cheap natural gas from the North Sea is making inroads into the domestic and industrial space heating markets where electricity used to do well. Furthermore, electricity is now sufficiently expensive to inhibit the growth of some industrial process activities based on high electricity consumption.

The peculiar situation that the coal industry now finds itself in is also beyond argument. In response to the world energy crisis the NCB embarked in 1974 on its ten-year Plan for Coal, designed to stabilise, and later expand, production. Capital spending of £1.4bn. (at 1974 prices) will improve current coalfields and open up new ones. Coal production, now running at about 115m. tons a year, is expected to climb to about 130m. tons by the end of the decade and to 150m. tons a year by 1985. It is reckoned that such a programme will maintain a stable labour force of about 250,000 in coal mining even though 3m. tons of exhausted capacity is being closed each year.

The golden future being planned for British coal mining is supported by the NCB geologists who are discovering new coal reserves at unprecedented rates. At present they are proving new coal at a rate of 500m. tons a year — four times the rate at which it is being extracted. Mr. Anthony Crosland, the Environment Secretary, is expected to give planning permission soon for work to start on the Selby, Yorkshire, coalfield which has a production potential of beyond 10m. tons a year. But the NCB is also finding good seams running south from the Midlands coalfield. It may be practical to mine coal as far south as the edge of the London basin. Meanwhile opencast mining — the cheapest coal the NCB produces—is being expanded and production is to be raised from 10m. tons a year to 15m. tons a year by 1980.

Such is the NCB's position at a time when the U.K.'s energy consumption has fallen from 340m. tons of coal equivalent to 318m. tons of coal equivalent within a year as a result of economic recession, high energy prices, the "Save It" campaign and a mild winter. The NCB finds itself with a Government-approved long-term plan for an expanding industry for the first time in its history but with a serious shortage of customers for its coal.

Coal stocks have been rising throughout the winter and are now standing at nearly 30m. tons, of which 16m. tons are at power stations. They represent 15 weeks' supply. To the NCB these are no more than sensible levels, but the Board sees a dangerous situation ahead if stocks were to continue to pile up at the same rate for another year.

In response to Mr. Wedgwood Benn, the NCB's case is as follows. New electricity generation capacity coming into use in the U.K. during the next five years will not burn any extra coal. Of the seven big English power stations being built, four are nuclear and three oil-fired. In Scotland one new station is nuclear and two oil-fired. The only hope of matching coal output with power station sales is to have those oil-fired stations redesigned to burn coal alone or be dual-fired so as to be able to switch either to coal or oil. New dual-fired power stations would enable Britain's power generation to be more flexible.

In short, the NCB is saying to the CEGB: "Give us a chance to burn coal in the biggest, most modern and most efficient of your power stations." If the power stations would take an extra 6m. tons a year, a lot of the NCB's troubles would go up in smoke.

The NCB also has a few other ideas to put forward. It wants the electricity industry to stop coal imports, which were began as far back as the late 1960s for some special power station coal and stepped up after the fuel crisis and the miners' strike to some 4m. tons a year as a form of insurance. The NCB also wants the CEGB to stop burning North Sea gas at two of its power stations. Finally, the Board hopes that the Benn conference will hurry along a Government decision to give financial aid to cover the cost of stock-piled coal. (A ton of coal in stock for a year costs the NCB £1.70p in interest charges. The European Community has now authorised such aid.)

Over at St. Pauls, where the CEGB is based, they see these matters in a different light. Mr. Arthur Hawkins' beard bristles as he charges the miners with "standing in their own light." The price of coal for power stations has gone up four times in two years, by a total of 170 per cent. The CEGB's coal bill is now running at £1bn. a year and will go up by a further £150m. next year *as a result of* the 15 per cent. increases in coal prices just announced. The Board is convinced that high coal prices are a major factor in depressing the demand for electricity and making it increasingly uncompetitive against its rival fuel, gas, in homes and factories.

But what of the technical possibilities of switching one or more of the new oil-fired power stations to coal, thus saving the coal stockpiles from becoming embarrassingly large. The CEGB argues that if this happened the aims of the NCB and the miners would be defeated. The new stations would convert coal very efficiently into heat and, as base-load stations, would be utilised wherever possible. That, given the policy of minimising coal use anyway, would mean making less use of the older and less efficient coal-fired power stations. So less coal would be used to generate the same amount of power. However, the operation could not be carried out without cost to the public. To instal a dual coal-oil system in a power station first designed for oil increases the capital cost by more than 20 per cent.

The CEGB has a capacity to burn 90m. tons of coal a year if the demand for electricity is there. It has switched to coal progressively, and now reckons that with its present fuel "mix" of 67m. tons of coal and ... tons of oil it has gone a[s far] towards coal as it can. I[n the] past more than 14m. tons [of oil] has been burned in a [year.] Clearly, the big oil-bu[rning] stations such as Pembroke [and] Fawley cannot be sw[itched] economically to coal as the[y are] burning residual fuel oil [sup]plied "over the fence" [from] large refineries next do[or to] them.

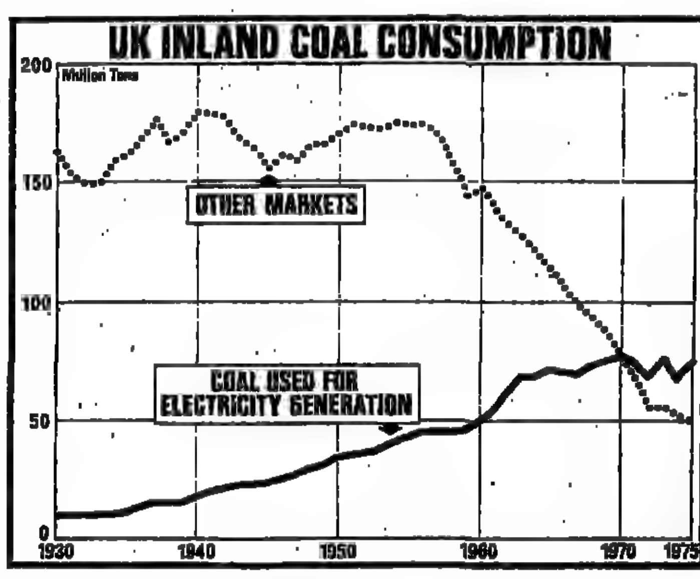
Neither can the CEGB [con]tain giving up its bur[ning of] natural gas at Hams Hall [and] West Thurrock power sta[tions.] The boilers can be swi[tched] almost instantaneously [from] coal to gas and vice ver[sa. This] flexibility the CEGB find[s] useful. So, too, does B[ritish] Gas which uses the p[ower] station supplies as a mea[ns of] regulating its gas mains sy[stem.]

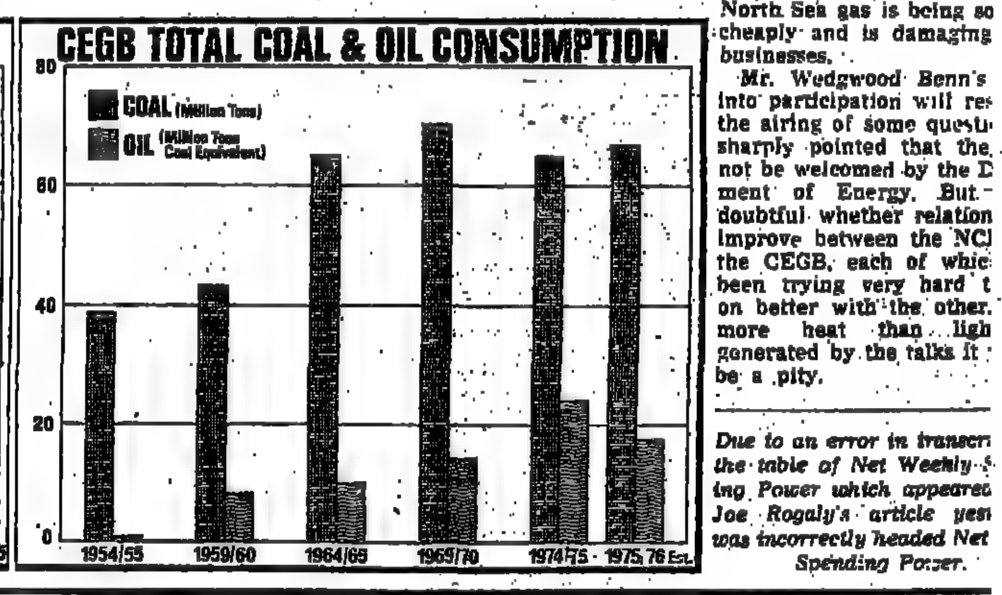
As for power station imports, the CEGB claims [it is] already to be a dead issue. [The] Board intends to run dow[n] imports to below 1m. tons, [com]pared with the present 4m. in the next financial yea[r. It] reserves the right, howev[er, to] keep an imports route ope[n as] a banker."

Damaging the businesses

We have a situation, [there]fore, where the NCB is at [...] hinting how the CEGB s[hould] run its business and the [...] is less than impr[essed.] Curiously, the real loser [may] be the gas industry if w[hat] started to-morrow develop[s into] a battle of the energy [...] Both the coal and elec[tricity] industries are agreed [that] North Sea gas is being so[ld too] cheaply and is damaging [their] businesses.

Mr. Wedgwood Benn's [venture] into participation will re[sult in] the airing of some questi[ons so] sharply pointed that the[y will] not be welcomed by the D[epart]ment of Energy. But [it is] doubtful whether relation[s will] improve between the NC[B and] the CEGB, each of whic[h has] been trying very hard t[o get] on better with the other. [If] more heat than ligh[t is] generated by the talks it [will] be a pity.





Due to an error in transcr[ibing] the table of Net Weekly S[pend]ing Power which appeare[d in] Joe Rogaly's article yes[terday it] was incorrectly headed Net Spending Power.

MEN AND MATTERS

We were robbed . . . or were we?

With Lebanon still totting up the cost of the civil war it is becoming increasingly clear that the true financial losses will probably never be known. Take, for example, the British Bank of the Middle East where physical damage is estimated at around $4.5m., but where losses from looted safe deposits are unknown since the contents of the boxes are not disclosed to the bank by those who have rented the facility at a cost of $22 a year.

The BBME, which is a Hong Kong and Shanghai Bank subsidiary, refused to be drawn last night on increasing speculation in Beirut that the looting of its head office alone could run into hundreds of millions of dollars. These reports, talking wildly about the "bank robbery of the century" are very likely exaggerated, but are likely to be no further from reality than the stiff-necked quote from a London spokesman of the bank that the strong-boxes could have been "stuffed with old newspaper."

The bank itself bears no liability for the losses which may have been involved. Rather unromantically, the spokesman likened the rental of a strong-box to renting any other kind of storage locker.

The police in Beirut are not making any comment at the moment, but it looks as though one section of the community who are likely to turn out to be heavy losers are the jewellers. The general secretary of the Lebanese Jewellers' Association, Eli Bourie, said that many jewellers were among the owners of safe-deposit boxes. "Jewellers, like most other merchants in the business centre, had emptied their stores and put the merchandise into banks for 'safe keeping'"

Jewellery can at least be insured. Biggest sufferers of all may be those who used the boxes for important papers—irreplaceable but of little intrinsic value.

Closed shop

Another sad reminder of the difficulties of high street trading in the modern economic climate comes from J. Sainsbury, which is announcing to customers in its Marylebone High Street branch that the store is to be closed down on March 6. Already the announcement has produced some customer reaction, although more groans of regret than the sort of actual protest which characterised the controversial closure of the Sainsbury in Drury Lane last year.

The Drury Lane episode was rather a special case. Drury Lane was the site of the first Sainsbury shop back in 1868, and the loss of its successor was a severe blow to residents because of the shortage of local grocers. Marylebone High Street is an excellent little shopping centre—but pricey, and what local residents there are losing is a supermarket where prices are below local average.

This plus the small size of the store is at the core of the problem according to the company. The Sainsbury policy of charging uniform prices in all its supermarkets (apart from edge of town superstores) does not allow for exceptions, even if Marylebone residents were prepared to pay a bit more. And at the same time escalating costs of running a 3,000 square-foot supermarket in such a premium location means that the store is losing money.

Plans to build a replacement store have been shelved—again on grounds of economic climate. The roneoed apology to Marylebone High Street customers from John Sainsbury therefore offers only the cold comfort of alternative Sainsburys in Paddington, Kilburn, Swiss Cottage, Chelsea and Fulham.

"We've either got a stock of unsaleable bricks or an art collection worth millions!"

Weighty Dix

A couple of years ago, the private Lancer Boss Company (fork lift truck maker) talked about the need for "entrepreneurial weight" when it made a new top appointment. Yesterday, the soon-to-be-revamped Motor Agents Association said it needed "the weight of a personality," and reckoned its new director general fitted the bill.

Both were talking about Alan Dix, a man who has had quite a range of jobs in the motor industry, though the last 18 months have seen him toiling at a marketing and management consultancy. That looks like a Dix side road: his reputation was established mostly as an efficient tuner up of Volkswagen's U.K. operation and as a blunt opinion-provider on the general state of the car business.

He headed Volkswagen U.K. from 1968 to 1972, lifting profits from £100,000 to £2.5m.; was 16 months with a small U.S. conglomerate running its Toyota distributorship; and spent less than a year with British Leyland International as head of marketing. Dix insists the consultancy operation which followed the short Lancer Boss stint went well, but he now looks forward to "very exciting" times at MAA.

The association is girding itself to turn into a politically-oriented body. The petrol price war is worrying, of course, and the MAA talks darkly of the number of petrol outlets declining from 32,000 to 20,000. The MAA thinks it often makes sense for members who cannot compete on petrol to clear the pumps away and make more space for used cars, which are going well at buoyant prices.

Take cover

Yes, we know about the misprint, said a charming lady at Oyez International Business Communications, and she is now watching eagle-eyed for my next one. Oyez's gremlins have crept in to invitations to a conference entitled "Strategy for Investment," being held in April in Jersey. According to the timetable for the second day, J. A. W. Nicholls, director of Slater Walker Trust Management (Jersey) and deputy chairman of Slater Walker Investments in London, will speak on "The balanced portfolio — an approach to investment in its wildest sense."

Observer

هكذا من الأصل

ECONOMIC VIEWPOINT

BY SAMUEL BRITTAN

Neither a planner nor a gold bug be

[TH]E ATTRACTION of quack [eco]nomic remedies is not con[fin]ed to the U.K. There is [alm]ost no fashion or fad by [wh]ich we have been afflicted [in] this country which does not [fin]d enthusiastic supporters in [th]e vigorous market economies [suc]h as the U.S. or Germany, [alth]ough the resistance barrier [the]re may be higher.

[W]ho, for instance, said: "[T]his is advisory and con[sul]tative, and hopefully out of [this] dialogue and discussion [...] we will come down to a [mu]ch more clear and precise [und]erstanding of exactly what [we] are talking about and what [we] mean"?

[A] British Minister talking [abo]ut the "industrial strategy" [befo]re a meeting of the NEDC? [It c]ould have been. But in fact [the] quotation comes from [Sen]ator Hubert Humphrey, the [Dem]ocratic candidate for the [U.S.] presidency in 1968 and a [hop]eful for 1976. He was talk[ing] about Committee hearings [on] the Balanced Growth and [Plan]ning Bill, usually known [as t]he Humphrey-Javits Bill.

[D]espite his vagueness about [the] purpose of the proposal, [Sen]ator Humphrey is still con[vinc]ed that it would be his [sin]gle most important piece [of le]gislation." If he wins the [Dem]ocratic nomination, or is [influ]ential with the winner, we [may] expect to hear a great deal [more] about economic planning [U.S.-]style.

[An] excellent guide to the [...] discussion is provided in [the] January *Morgan Guaranty [Surv]ey*, written by Professor [F. A.] Hayek, of *Road to Serfdom* [fame], who seems to have [enjoy]ed an Indian summer in [the 19]70s (in some ways reminis[cent] of the late Otto Klemperer [in a] very different field). Some of the most naive arguments about "planning" which Professor Hayek encountered in the 1930s and 1940s have come up again, as if the earlier discussion had never taken place.

A notable, almost unbelievable, example is the question: "Why is planning a good thing for individuals and businesses, but a bad thing for the national economy?" There is a confusion between the desirability of each individual (or company) using as much foresight as he (or it) can command, and a central blueprint telling everyone what to do.

While the case for "hard planning" is easy to refute, the "soft planning" now in vogue in the West is so elusive that no one knows what it really means. Senator Humphrey has categorically denied that coercion would be used to influence individual companies.

One interpretation, all too familiar here, is that the planning body would produce an "outline" or "skeleton" of the distribution of resources, into which individual companies would fit their activities. But given the uncertainty of the future, is it really desirable that all the companies in an industry should act on the same guess rather than follow their own varying beliefs?

Senator Hubert Humphrey: If he wins the Democratic nomination, we may expect to hear a great deal more about economic planning U.S.-style.

The whole "soft planning" movement is based on a hopeless confusion between predictions, targets and action, and the wishful belief that there can be a painless self-fulfilling transition from one to the other. Professor Hayek may disappoint his more Right-wing admirers by his conclusion, that "nothing more sinister than sheer intellectual muddle is involved in the U.S. planning movement." But this is probably the case, and in Britain too.

In just one respect, Professor Hayek goes too far. When making their own individual assessments of the future, some companies find it useful to have in front of them a projection of past trends of the national and world economy, with allowance made for foreseeable shifts due to, say changes in the population of working age. Such material can in no way tell a company what to do, but may be a useful starting point for its own commercial judgment on how the trends might change.

Perhaps the best thing for which to aim would be the German situation in which there are five independent research institutes, whose reports are keenly studied but who do not imagine that they are "planning the economy" or charting the stars in their courses.

* * *

PROFESSOR HAYEK has not contented himself with negative attacks on the interventionists. After a lifetime of adherence to fixed exchange rates and the gold standard, he has come out in favour of the much more libertarian alternative of abolishing the legal tender laws and allowing people to make their own choice between currencies freely circulating on the market. This he advocates in *Choice in Currency*, an Occasional Paper just published by the Institute of Economic Affairs.

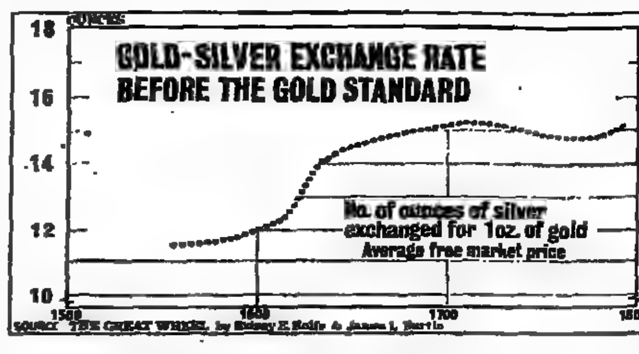
The idea of repealing the legal tender laws so that people could carry out business in dollars, marks, ounces of gold, EEC "Europas," or anything else may seem removed from everyday experience. But before long it will be necessary to take it very seriously indeed.

The reason why can be seen by examining Professor Hayek's objection to any attempt to restore a gold standard. Such an attempt would not work because governments would no longer see in a restored gold standard "an absolute obstacle" to the clamour for more and cheaper money. The rate of inflation may be subsiding for the moment, but the rule of political life is that "in the long run we are all out of office." The politicians who will be held responsible for the depression following the next new wave of inflation are not the same as those who are being pressed to "do something" about unemployment here and now. Consequently, any attempt to reinstate a fixed gold parity would soon break down and discredit all such attempts in the future.

Competition, on the other hand, makes for better performance in money, as in most other things. If people have a free choice of currencies to hold and use, a reverse Gresham's law is likely to operate, with good money driving out bad. The essential need is to deprive governments of their monopoly in deciding which currency can be used, or in determining the rate at which one kind of money can be exchanged against another. This approach has the great advantage that it does not require a strong authoritarian government to implement, as would either a fixed money supply rule or a return to gold. If governments debased one kind of money, people would turn to alternatives.

In a Commentary included in the same Paper, Mr. Douglas Jay has a great deal of fun with the proposal, asking what would happen in the unlikely event of his offering a rouble for his bus fare and the conductor refusing to accept, or disagreeing on the rate of exchange.

These things have a way of arranging themselves. It so happens that I have spent some time travelling on public transport in the Alpine region, where within a few miles one passes through no less than five countries — France, Switzerland, Italy, Austria and Germany— and I have hardly ever seen this sort of problem arise.



Cable cars in the Tyrol often have prices marked in both German marks and Austrian schillings; and they are not changed with every minor currency fluctuation. If you travel over the Swiss-Italian frontier with the wrong currency in your pocket, you can still buy a meal on the other side; and both the shopkeepers and inhabitants of Geneva have a very good idea of the comparative worth of the two francs. The one piece of trouble I witnessed was characteristically, at a time when a fixed exchange rate broke down. When official dollar "convertibility" was suspended, I helped to make peace between a French sleeping car attendant in Salzburg station and some irate American tourists by persuading the former that there was a price at which he could safely accept the dollars offered.

Historically, the circulation of more than one kind of money has been the rule rather than the exception. The accompanying chart shows the gradual fluctuations in the two centuries before 1800 in the gold-silver parity, which caused trouble only when governments attempted to fix the ratio artificially.

The origin of the legal tender laws was not the wish to make trade more convenient for citizens, but the desire of sovereigns to reap monopoly profits from the minting of metal into coins. This motive was later reinforced by the attempt to force their subjects to accept debased coins on the same terms as the full weight variety.

The most important requirement for currency freedom is the repeal of the Exchange Control laws (which are in any case of little use in times of crisis). The legal tender laws would be a lesser obstacle, which might in any case crumble with the free circulation of rival currencies.

The suggested reform might seem a tall order, except for the fact that natural forces are pushing in that direction already. When inflation reaches a certain level, as in Germany in the 1920s, people refuse to hold, or even trade in, the official currency, whatever the law states. The time may come when union leaders will ask for payment in a currency that they can trust. Indexation, although a good second best, has the disadvantage of divorcing the every day unit of account from the standard of value for long-term contracts.

The biggest problems would probably relate to government payments and receipts. If official payments were made in a depreciating national currency to which there were alternatives, the public authorities might find it difficult to get anyone to work for them, which would at least be a novel dilemma. Similarly, the real value of tax receipts would shrink. Perhaps these trends might do more than any pseudo-gold standard to prevent governments from inflating.

Even now one hears more and more stories of professional people and small businessmen insisting on being paid in kind, especially in rural areas. This no doubt reflects the effects of tax as well as inflation. But if there is going to be a move away from the use of sterling, is it not better—even for government revenue—that it should be into recognised alternative money rather than into under-the-counter barter deals?

Professor Hayek's currency proposals are of far greater practical importance, on a time horizon further than that of a mole, than the successor to the £6 pay limit on which all Government efforts are at present being concentrated.

Letters to the Editor

[Su]pport for [ae]rospace

[From] Sir Peter Masefield.

[Sir,]—Geoffrey Owen, in his [revie]w of the Department of In[dustr]y's papers on "Launching [aid] to the aerospace industry [betwe]en 1945 and 1974 by Mr. [...] Gardner and Mr. K. [...] (February 11), suggests [that] "the policies pursued by [succe]ssive Governments in high [techn]ology have produced very [disap]pointing results" and that [a re]assessment of priorities is [badl]y required."

[Cer]tainly the results could [have] been better—especially if [succes]sive Governments had pur[sued] steadier and more deter[mined] policies with potential [winne]rs such as the VC-10, the "Three-Eleven" and, on a [coope]rative basis, with the [...]. On the engine side the [...] is already proving a more [...]l proposition than some [expec]ted. And though no one [would d]isagree that periodic re[assessm]ents of priorities is [...] useful, has the record [re]ally so disappointing and [does a] review necessarily reverse [po]licy?

[In t]he 30 years since 1945, a [total o]f £747m. has been spent [on "l]aunching aid"—including [R. and] D.—on civil aircraft and [e]ngine development—equi[valent] to £1.5bn. at 1974 prices. [Of] this total more than 61 [per ce]nt. in real terms (£928m.) [has be]en spent on two projects [Conc]orde, its Olympus engine [and] the RB.211 engine. With[out the]se "special cases" the 30-[year t]otal at 1974 prices was [...] at an average of just over [...] a year of which £4.5m. a [year] has recovered. The average [ann]ual expenditure was thus [...] of which at least a part [...d]efence attributes in both [...]t and engines. This net [investm]ent in launching aid was [a p]rimary factor in the gain[s in] civil exports and the sav[ings in] imports which, together, [have a]veraged some £266m. a [year at] 1974 prices over the same [...] period. Nor such a bad [...] when exports are so vital to [eco]nomic survival.

[...] including Concorde, the [...]s and the RB.211—with [poten]tial recoveries still to [come] the net launching aid of [...] at 1974 prices has been [the] foundation of some £8bn. [...] [expo]rts, and savings in im[ports] which continues to grow. [At the] same time it has provided [...] airlines with aircraft [such as] the Viscount, the VC-10, [the Tri]dent, the BAC One Eleven [and Co]ncorde which are cur[rently] earning many millions of [...] of foreign currency each [year].

[Moreov]er, there has been a sub[stantial] "spin off" into high [technolo]gy areas of other in[dustries]—especially in materials, [electron]ics, computers, produc[tion te]chniques and propulsion [...].

[A fac]tor which is often for[gotten] is that most of the ex[penditu]re has been in the form [of wage]s and salaries for one of [the mo]st highly skilled work[forces i]n the country whose pro[ducts] contain little imported [materia]l and a high proportion [of val]ue added." Moreover, in [the air] transport industry in [which t]here is such a high level [of stat]e ownership there is, [...] a clear case for doing [everythi]ng possible to ensure [that "h]ome-grown" products are [...]e and, now, that we play [a ful]l part in European col[laborati]ve projects which will, [...] develop exports.

[With] hindsight everything [that h]as been done in the past [could alw]ays be done better in [the futu]re—not least the choice [of proje]cts for national support. [But the p]revailing and continuing [circums]tances of a need for [...]s on exports, and [especial]ly exports of high "value added" content, there would seem no doubt about the merits of Government support for well-judged projects in the field of aerospace and for a sustained level of R. and D. The emphasis should be on keeping Britain in the forefront of technology, in maintaining our ability to compete and in selecting the right projects for the market places of the world.

Peter Masefield.
"Rosehill," Doods Way, Reigate, Surrey.

The price of Scotch

From Mr. A. James.

Sir,—I have not checked Mr. Rear's calculations or assumptions (Feb. 17) because he is only playing with words. When I have paid for a bottle of Scotch, sold it by measures, and accounted for VAT, I am left with £3.59.

This sum I apply to meeting the rest of my trading expenses, providing for capital expenditure, and rewarding both investment and Government. In common with all businessmen, accountants, and the Inland Revenue, I call this sum gross profit, and I measure it by reference to turnover, *not* to one section only of my expense to achieve turnover.

If I felt the need to justify this (which I don't) the OED would satisfy me, with "Profit—that which is derived from or produced by some source of revenue."

A. R. James.
21, Knolls Close, Worcester Park, Surrey.

Exclude VAT

From Mr. G. Millar.

Sir,—While in some measure having sympathy with the feelings which presumably prompted Mr. Rear's letter (February 17) questioning the accuracy of a previous correspondent on the matter of gross profit percentages on sales of Scotch, I submit that the confusion concerning this subject does not lie only in the minds of retailers, as Mr. Rear suggests.

His statement that profit, by definition, is the difference between buying and selling price cannot be faulted, but when he further asserts that the figure of percentage gross profit should be obtained by dividing this difference by the cost and not the selling price he is himself committing the common error of confusing percentage mark up with percentage gross profit.

VAT should be excluded entirely from such calculations since the retailer is acting simply as a revenue collecting agent, although the cost of this unrewarded service makes substantial inroads into his net profits.

G. M. Millar.
43, Silverknowes Grove, Edinburgh.

Exhausted and obsolete?

From The Managing Director, Robert Hyde and Son.

Sir,—Following your excellent leader on tax exhaustion (February 16) instead of juggling the rules to help loan interest payments, corporation tax should and could be abolished in the 1976 Budget as it has ceased to yield any significant revenue.

Advance corporation tax should become dividend corporation tax (DCT) to discourage those who might over distribute. The rate of this tax could provide politicians with a continuing argument.

In the meantime, industry could plough back into working capital, machinery, land or buildings without Government help. Corporate liquidity in industry is the best place for savings and far better than money lying in building societies and the institutions.

This year the Chancellor has a unique opportunity in April to abolish corporation tax and to resolve the mounting problem of long-term deferred tax which industry has no hope of paying.

R. A. Hyde.
Clarendon Steel Foundry, Chesterfield.

Cotton industry schemes

From the Chairman, Textile Industry Support Campaign

Sir,—You reported (February 6) that the cotton industry had submitted draft proposals to the Department of Industry for a scheme for aid under the Industry Act. The report, however, contained two unfortunate implications. First that the initiative came from the industry, and second that all its ills would be cured by injection of capital.

We have always maintained that, given the right environment, we would invest our own capital. Without that environment further modernisation is a farce. In Lancashire we have some of the most modern installations in the world, all of which are working below capacity. How can they survive when the cost of maintaining our quality of life in the U.K. equates with wages ten and 12 times greater than those of our Far East competitors?

Successive Governments have failed to realise that their policies which masquerade under the name of "Free Trade" are leading us to disaster. All sorts of imaginative schemes to encourage the textile industry to help itself have been put to the Government. Is it not appalling that the only answer we get is: "Apply for public funds"? The easy way out and the one that doesn't involve treading on a few foreign toes, but the one that will eventually be the ruination of industry after industry. But who cares? After all, public funds will always be available—to pay more dole.

John G. Bridge.
Thorncliffe, 115, Windsor Road, Oldham, Lancs.

Student benefit

From Mr. J. Bescoby.

Sir, — Joe Rogaly's article (February 10) on social security benefits to students during vacations raises the wider issue of how society should support those of its members who are students in the higher education sector.

Personally, I have never fully understood why part-time employment, as a means of raising the student's standard of living, should be frowned upon in this country when it appears to work quite well in others. Part of the reason, perhaps, can be attributed to the older Oxbridge expectation that students will devote their spare time to intellectual or appropriate social pursuits and, particularly, to a wide and broadening programme of reading during their vacations. That this does not frequently happen is surely the common experience of university teachers to-day and there is really no reason why some of this time should not be devoted to money earning.

As a matter of interest, the topic of part-time work was raised in one of my classes a few days ago. Out of about 50 students none was currently earning money in this way (though many do work during vacations). Perhaps a threatened reappraisal of supplementary benefits for students will force us to rethink our system of student financial support which has not been overhauled fundamentally since it was first introduced at the end of World War II. Perhaps we might even come to accept the idea that a little money earning work is no bad thing for the student as well as for society.

J. H. Bescoby.
Senior Lecturer in Industrial Relations, University of Newcastle upon Tyne,
Armstrong Building, Queen Victoria Road, Newcastle upon Tyne.

UN mandate for Cyprus

From Mr. J. Loukianos

Sir,—Your informed Ankara correspondent, Mr. Metin Munir (February 17), writes that the Cyprus conference which started in Vienna is likely to serve little purpose and that the Cyprus problem can be expected to continue to remain in limbo at the cost of heavy suffering of both Turkish and Greek Cypriots.

All good friends of the Cypriot people will once again be utterly disappointed and disheartened. Obviously the hitherto manner of approach to the Cyprus problem is of no avail. But Cyprus must not be allowed to remain in a condition of neglect and oblivion. It must be lifted from its present morass and taken forward by promoting a UN Mandate over the island via the Security Council.

The administration of the island must be transferred to the United Nations. A United Nations High Commissioner should be appointed, assisted by Greek and Turkish Cypriot Commissioners. A UN High Commissioner, responsible to the Security Council would be able to supervise the withdrawal of troops, ensure the free movement of the Cypriot people, re-establish the needed trust between the Turkish and Greek Cypriot citizens, find and apply adequate and proper remedies to the wrongs perpetrated and in stages establish a representative Government of a sovereign and independent State of Cyprus.

Jason Loukianos.
33, Red House Lane, Berlegheath, Kent.

Maddened at Heathrow

From The President, Conference of British Chambers of Commerce in Continental Europe.

Sir,—Mr. Parker's letter (February 13) refers to "the maddening unpredictability of baggage-handling delays" at Heathrow.

Recently I was invited to visit Heathrow to see the very considerable and praiseworthy alterations at present being made (extension of the Piccadilly Underground line, alterations to terminals etc). I was most disappointed, however, to learn that none of these improvements will speed up the delivery of luggage to the carousels.

This is a matter of special concern to travelling businessmen and I believe that considerable pressure should be brought to bear on the Authorities to solve this problem. Surely it can be done?

D. H. Pantlin.
c/o The British Chamber of Commerce for Belgium and Luxembourg (Inc), Rue Joseph II 30, B-1040 Bruxelles.

To-day's Events

GENERAL

Government White Paper on public expenditure.

TUC Conference on sex discrimination, Congress House.

M. François-Xavier Ortoli, president of European Communities Commission, continues official visit to Canada.

Mr. David Ennals MP, Minister of State, Foreign and Commonwealth Office, speaks on "Current British Attitudes Towards Africa." 18, Northumberland Avenue, W.C.2.

Ombudsman's annual report White Paper.

Sir Lindsay Ring, Lord Mayor of London, attends Cripplegate Ward Club Luncheon, Guildhall Crypt.

PARLIAMENTARY BUSINESS

House of Commons: Debate on Fishing Industry.

House of Lords: Parochial Records Bill, second reading. Maplin Development Authority (Dissolution) Bill. National Coal Board (Finance) Bill, second reading. Weights and Measures Orders on dried fruits and edible fats.

COMPANY RESULTS

Imperial Chemical Industries (full year).

MFI Warehouses (half year).

Trust Houses Forte (full year).

Wedgwood (third quarter).

COMPANY MEETINGS

Allied Breweries, London Hilton Hotel, W., 12.

Berisford (S. and W.), Abercorn Rooms, E.C., 12.

Century Securities, Manchester 12.

Greenall Whitley, Daresbury, 12.

Hickson and Welch, 140, Buckingham Palace Road, S.W., 12.

Liner Concrete Machinery, Newcastle upon Tyne, 11.30.

North British Steel, West Lothian, 2.30.

Vectis Stone, Newport, Isle of Wight, 12.15.

OPERA

D'Oyly Carte Opera in The Gondoliers, Sadler's Wells Theatre, E.C.1, 7.30 p.m.

MUSIC

John Lill gives piano recital of works by Haydn, Schumann, and Beethoven, Queen Elizabeth Hall, S.E.1, 7.45 p.m.

London Symphony Orchestra, conductor Claudio Abbado, with Anna Reynolds (mezzo-soprano) and Southend Boy's Choir, play Mahler (Symphony No. 3 in D minor), Royal Festival Hall, S.E.1, 8 p.m.

SPORT

Tennis: BP International Cup, Torquay.

COMPANY NEWS + COMMENT

Carrington Viyella £3.46m. downturn

DUE TO considerable under-activity in the early part of the year caused by general world recession and inflation, re-organisation and rationalisation costs and a relatively poor performance by overseas subsidiaries, pre-tax profit of Carrington Viyella—textile manufacturers—suffered a downturn from £9.02m. to £5.56m. in 1975.

In the first-half profits dropped from £4.51m. to £1.84m.

Stated earnings per 25p share at year-end are lower at 1.64p, compared with 3.15p and a same-again net final dividend of 1.225p lowers the total from 1.7275p to 1.7125p.

The total charge for re-organisation and rationalisation was £2,754,000 before tax, comprising re-organisation costs of £1,267,000 (£335,000) and an extra-ordinary item of £1,487,000 relating to the withdrawal from a major business area. Extra-ordinary items also include a recovery of £500,000 relating to a former operation overseas.

Despite inflation and an increase in external sales of 15 per cent., working capital has been contained to a level slightly below that of 1974, say the directors. Total net borrowings have been reduced by £2m. during the year.

	1975 £000	1974 £000
External sales	232,776	202,343
Operating profit: U.K.	9,080	12,391
Overseas	981	2,694
Trading profit	12,035	14,847
Reorganisation	1,267	335
Bank and loan interest	5,227	5,496
Profit before tax	5,541	9,016
Taxation	2,728	4,039
Net profit	2,833	4,977
Minority holders	29	64
Extraordinary debits	289	—
Preference dividends	512	513
Attributable Ordinary	3,022	4,400
Ordinary dividends	2,395	2,417
Forward deficit	383	*1,983
Fixed assets	57,127	55,390
Current assets†	112,033	103,709
Current liabilities‡	52,126	48,740
Net current assets	59,907	59,969

* Earnings. † Includes £1.06m. (£8.71m.) short-term loan and cash. ‡ Includes £16.33m. (£18.82m.) overdrafts.

● comment

Carrington Viyella is 27 per cent. lower before tax and reorganisation costs. But that takes in a considerable measure of recovery in the second six months, and at this stage it looks as though the group can get profits pointing upwards for 1976—with the present range of outside estimates topping £7m. pre-tax. Overseas, any relapse in Canada would spoil this sort of figurework but to date all is well, and South Africa remains buoyant. At home there are signs of an upturn in demand, and overall CV's capacity utilisation is now fairly comfortable. The balance sheet gearing has eased modestly; but with capital spending still running at £10m. plus a year interest cost pressures are not going to ease for some time. At 34p the shares yield 8 per cent.

NEW PLAN FROM SUN LIFE

Sun Life Assurance has introduced a new contract in its Ten Plus series of flexible policies—the Ten Plus Lifetime Plan. This is basically a with-profit whole life contract with premiums ceasing at age 75, carrying guaranteed cash-in values from the 10th year onward.

Bonuses will be allotted on the new two tiered plan, initially at rates of £3.50 per cent. per annum of the sum assured and £5.50 per cent. per annum of attaching bonuses. The plan is available to investors between ages 40 and 65, and is sold in units of monthly premium of £1.20, minimum holding being 10 units.

INDEX TO COMPANY HIGHLIGHTS

Customagic sees at least £0.3m.

From increased turnover of £2.11m., compared with £1.81m., taxable profit of Customagic Manufacturing Company rose from £125,347 to £134,161 for the six months to end December, 1975.

The directors state that profit for the full 12 months should be "not less than" the previous year's £305,662.

The interim dividend is raised from 0.35p to 0.45p net—the 1974-75 total was 0.7p.

First-half tax takes £69,764, compared with £65,180, leaving £64,397 (£60,167).

The company makes ready-made loose stretch covers.

NCR slides after being up midway

AFTER exceptional costs of £1.59m., at NCR, incurred as a result of planned phase-out of certain mechanical products in the group's Dundee factories, pre-tax profit for 1975 slumped from £6.83m. to £3.63m. At half-way an advance from £1.97m. to £2.25m. was reported.

Turnover for the year was £71.09m. compared with £65.59m. and trading profit £6.18m. (£7.91m.).

After tax the net balance came through behind from £3.89m. to £1.47m.

The company is a wholly owned subsidiary of NCR Corporation of the U.S.

CompAir ahead so far

At the annual meeting of CompAir in London, the chairman, Mr. Niall Macdiarmid, told shareholders that sales for the first quarter of the current year had been satisfactory and, with margins suffering no significant deterioration, profits were ahead of last year.

Mr. Macdiarmid added, however, that compared with the situation a year ago the group did not have such a substantial backlog of orders and thus the level of production was geared much more directly to the current order intake.

It seemed most likely that the weight of any advance on last year would take place in the second half.

Further rise for Eleco

DESPITE A drop in turnover from £4.6m. to £4.4m. in the half-year to December 31, 1975, mid-term net profit of Eleco Holdings rose slightly from £221,000 to £230,000 after all charges including tax of £250,000 against £239,000.

For the year to June 30, 1975, record net profit of £497,170 after tax of £539,034 was reported by the company.

The interim dividend per 10p share is lifted from 0.603p to 0.65p net. Total dividend paid in 1974-75 was 1.418p.

Eleco is involved in the engineering and construction business.

● comment

Underlying trading margins for Eleco continued to be squeezed in the first half. This position could be easing a little now, however, with Davis Trunking having just had its first price rise for 18 months. In addition, while no true seasonal factors can be identified in Eleco's kind of business, the second half often does rather better than the first, depending on contract completions. Local authority street-lighting contracts remain depressed but should be partly offset by factory and warehouse renting (expected to contribute £170,000 to profits this year against £116,000 last year) and first-time profits from the new development of acoustic fencing for motorways. Sales could recover in the second half but the prospect for increased profits is still uncertain. The p/e of 8.75 on earnings over the last 12 months is two points below the sector average and there is a comparatively high historic yield of 7.7 per cent, on the shares at 29p: a reflection perhaps of the element of dependence on local authority work.

H. Morris tops £1.1m. —pays 6p

ON TURNOVER advanced from £14.4m. to £21.28m., crane manufacturers, etc., Herbert Morris pushed up pre-tax profits from £315,721 to a record £1,155,191 in the year to November 2, 1975.

Earnings per 50p share are shown to be up from 3.8p to 14p and a second interim dividend of 4.5p net per 50p share makes a total of 6p (nil). The Treasury has authorised payment as part of the company's defence in the rejection of the bid by Amalgamated Industrials.

At midway when profits were £381,000 compared with a loss of £77,000, the directors forecast second half results comparable with those of the first. In December they said that results would be above expectations.

The improving results stem primarily from a higher level of output, better margins and improving manufacturing efficiency, they now tell members. Orders in hand are at a record level and in the light of this and the significant improvement in liquid resources, a substantial investment programme is in progress to expand capacity for heavy crane production.

While the world recession has begun to affect the lighter end of the product range, the directors remain confident that the company's performance will continue to improve.

	1974-75 £	1973-74 £
Turnover	21,281,836	14,401,634
Pre-tax profit	1,155,191	315,721
Tax	654,129	192,015
Minority profits	36,163	*12,893
Extraordinary credits	—	73,488
Retained	363,294	205,576

* Losses.

● comment

After a £458,000 turnround from losses in the first six months the market was expecting good things from Herbert Morris's annual results but the full year profits are still well ahead of most expectations and the shares rose 9p yesterday to 85p. Against a background of depressed demand for handling equipment, the group has managed to widen its market share both in the U.K. and overseas. A major factor in this has clearly been the introduction of the crane kits demand for which has played an important part in a rise of 50 per cent. in exports. The group, which recently fought off a 60p per share bid from Amalgamated Industrials, has a net worth of around 164p per share and with new business still coming in strongly (current order books are worth around £15m. compared with £9m. a year ago) the shares, yielding 11.5 per cent., still look undervalued especially since total borrowings have now been reduced to less than 20 per cent. of shareholders' funds.

MINING SUPPLIES

Mining Supplies has acquired freehold premises in Hexthorpe, Doncaster, consisting of approx. 1.47 acres for £120,000 cash on completion.

ISSUE NEWS AND COMMENT

Turner & Newall £20m. cash call

Turner and Newall proposes to raise £20m. from a rights issue of 15,949,289 new Ordinary £1 shares on the basis of one-for-four at 130p, payable by March 15. The offer is open to holders registered on February 11 and dealings are expected to start next Tuesday.

Proceeds will be used to finance increases in working capital requirements and to support future growth with an adequate level of investment.

As reported at the interim stage pre-tax profits amounted to £8.7m. (1974 £10.6m.). For the full year to December 31, 1975 the group estimates that profits will be not less than £21.3m. (£21.5m.) and that earnings attributable to ordinary holders will not be less than £9.9m. Consolidated net charge for extra-ordinary items is estimated to amount to £1.4m. (1974, a net gain of £1.7m). On this basis the group expects to declare a final dividend of 5.217p net per share to bring the annual total to 8.217p (7.56p) net per share.

The new Ordinary shares will not carry the right to receive the final dividend but will rank pari passu in all other respects.

The issue has been underwritten by J. Henry Schroder Wagg and Co. and brokers are Hoare and Co. Govett and Henry Cooke Lumsden and Co.

See Lex

Tecalemit £1.1m. rights at 42p

Tecalemit announces a rights issue to raise £1.1m. on the basis of two-for-five at 42p per new share, in order to reduce short term indebtedness following the recent negotiation of a medium term £1m. loan.

Proceeds will initially be used to reduce short term bank borrowings, and also to provide a broader capital base for the development of the future operations.

The company states that in the second half of the year business has continued at a satisfactory level, and in the absence of unforeseen circumstances the Board expects that pre-tax profits for the year ending March 31, 1976 will exceed £1m. (£776,000). On this basis it is intended to recommend a final dividend making 2.925p per share. The issue is underwritten by Kleinwort Benson and brokers are Hoare and Co. Govett.

● comment

Tecalemit's rights issue is made with little else in mind than holding its borrowing ratios in line. At present the group has net short term borrowings of £2¾m. excluding £1.35m. of debenture and loan stocks, which is not far different from the situation shown by the last accounts when £2¼m. of short term debt was supported by just over £6m. of shareholders' funds. The forecast of £1m. pre-tax represents both recovery plus a belated advance over the previous peak of £863,000 in the year to March, 1971. Tecalemit is giving very little away on a yield basis: the ex rights yield of 8.6 per cent., on a price of 57p yesterday, is not far away from engineering averages.

Norton Simon quotation

Norton Simon Inc., the major U.S. consumer products concern with sales of $1.8bn., which counts among its lines Max Factor and Canada Dry, has been granted a quotation for its capital of 40m. Common shares.

Basically orientated towards the U.S.—accounting for four-fifths of profits—Norton Simon has gained quotations in London, Zurich and Frankfurt this week following its strategy of driving into markets outside America. Currently, the group has some $355m. of cash and marketable securities on hand which would enable it to make an acquisition on the scale of Max Factor in 1973 of $450m., which was its major diversification move other than growth generated from within.

Norton Simon has been mainly concerned with operations in the U.S., but a changing image to a multinational fits in with the latest series of quotations outside the U.S., and it would not be surprising to see the group expand by acquisition in the areas of cosmetics or perhaps food in the U.K. or Europe.

Mr. David Mahoney, president and chairman of Norton, indicated in London yesterday that he would expect overall growth of some 10 per cent. per annum in earnings per share in the foreseeable future, and an expansion of non-U.S. business to around 30 per cent. within the next five years.

The directors expect that existing holdings of Norton's shares within the U.K. should be sufficient to create a market in the stock.

The listing has been arranged by Baring Brothers and Co. and Cazenove and Co., in association with Goldman Sachs International Corp. and Salomon Brothers International.

HAT seeking £1.5m.

HAT Group is raising approximately £1.5m. by a one-for-five rights issue at 31p per share.

The directors estimate that profits before tax for the year ending February 29 will be of the order of £3m. They intend to recommend a final dividend on the increased capital of 0.975p per share, making a total of 1.625p per share gross (1.79995p).

In the short-term the proceeds will be used to eliminate overdrafts, but in view of the substantial rise in turnover and in working capital requirements, the directors consider it appropriate to strengthen the equity base.

In addition, and even more importantly, they consider that now is an appropriate time to make suitable acquisitions on advantageous terms, and a number are currently being considered.

The issue has been underwritten by Robert Fleming and Co., and the brokers are Fielding Newson-Smith and Co. The Treasury has given its approval to the proposed increase in dividend.

● comment

Having seen their dividend payout nearly doubled in 1974-75, on recovery grounds, H.A.T. shareholders are on the receiving end of a further 40 per cent. increase, leaving a yield of 6¾ per cent. on an ex-rights price of 38½p. Assuming the £3m. pre-tax forecast holds, implying a repetition of the interim growth rate of 15 per cent., the new level of payout would be covered about 3½ times. That this is largely a means of improving shareholders' income is shown by the low level of net borrowings in the last balance sheet, which represented only 13 per cent. of shareholders' funds. As a sub-contracting operation, the company tends to be a net generator of cash, but the present proceeds of £1½m. should bolster its previously successful policy of acquiring relatively unprofitable concerns. The share price closed at 44p, up 4p, last night.

BRAHAM MILLAR RAISING £0.54M.

Underwriting has now been completed for a £544,000 rights issue for Braham Millar Group, the engineering concern. The issue involves allotment of more than 2m. Ordinary 10p shares on a two-for-five basis at 28p each to holders registered February 6.

The company's pre-tax profits are expected by the directors to reach around £650,000 for the year ending in March, against £516,000 in 1975 and £312,000 in 1974. Treasury consent has been received for increasing the total dividend to a maximum 2.08p; the final is forecast at 1.48p net.

The rights issue is underwritten by Charterhouse Japhet and brokers are Laurence, Prust and Co.

EXTERNAL TRUST CONVERTIBLE

The External Investment Trust, a closed end investment trust under the management of M and G Investment Management, is proposing to issue £1.44m. of 7 per cent. Convertible Unsecured Loan Stock 1992/7 by way of rights, subject to the necessary increase in capital being authorised at the EGM to be held on March 5.

The stock is to be offered at £100 per cent. to Ordinary shareholders registered on February 10, on the basis of £1 of the stock for every four shares held. It will be convertible into Ordinary shares from 1982 to 1986 at the rate of 39¾ Ordinary shares for each £100 nominal of stock.

The stock is not being underwritten. This is because holders of approximately 70.7 per cent. of the equity, in the form of funds managed or advised by subsidiaries of the M and G Group, will be taking up their rights in full.

Excess applications can be made by registered holders; the directors point out that as a result of this issue method, the total issue expenses amount to approximately £10,000, or just under 0.7 per cent. of the total money raised.

Dealings are expected to begin on March 8.

ELECTRA TRUST

Lists will open to-morrow for the offer for sale of 12.5m. Ordinary stock units of 25p at 37p each in Electra Investment Trust, one of the Electra House group of companies.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Albright and Wilson	2.08	May 13	1.84	3.75	3.52
Berwick Timpo ...2nd int.	0.65	April 1	—	—(a)	1.51
Bogod-Pelepah	0.25	—	0.23*	—	0.73*
Carrington Viyella	1.23	April 21	1.23	1.71	1.73
Customagic ...int.	0.45	July 1	0.35	—	0.7
Edinburgh & Dundee Inv.	1.68	April 28	1.58	2.8	2.7
Eleco Holdings	0.65	May 12	0.60	—	1.42
Foreign & Colonial Inv.	1.78	April 2	1.61	2.58	2.41
Guildhall Prop. ...int.	0.5	March 31	0.5	—	1.99
Kingside Inv.	1.4	March 31	1.4	1.75	1.75
Herbert Morris ...2nd int.	4.5	April 2	nil	6	nil
John M. Newton ...int.	0.42	April 3	0.42	—	1.25
Chas. Sharpe	3.15	April 9	3.15	—	15.96
Yeoman Investment	3.41	—	2.85	5.36	4.52

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) Forecast confirmed of 1.1375p final making 2.4375p for year.

No easy financial future for BL

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

The British Leyland Board stressed yesterday that the Government-backed rescue deal which had given the company a second chance to succeed would not be repeated.

In a sober statement accompanying the annual report and accounts, the Board warned its 108,000 shareholders that the future of the company is closely tied to its performance.

British Leyland does not, it emphasises, have "enormous resources" easily available to it. Nearly half of the Government's equity investment of £200m. made last October had been used to repay Government guaranteed overdrafts, and since then the bank borrowing facilities had been increased with the support of the National Enterprise Board.

"But it has been made crystal clear that further financial support from the Government will depend upon our ability to increase productivity and efficiency. By no stretch of the imagination can we regard our financial future as easy."

On industrial relations it says that the temptation to "buy off" strikes, which continued to "bedevil" the company last year, will be resisted. A policy of laying responsibility for industrial relations on individual managers in their own areas will be pursued.

As known there was a pre-tax loss of £76.1m. (profit £2.27m.) in the year to September 30, on turnover of £1.87bn. against £1.59bn. After a tax credit of £12.86m. (charge £9m.), minorities, and extraordinary debits of £59.62m. (£15.69m.), the net loss was £123.57m. (£23.95m.).

The report, which is qualified by the auditors as being prepared "on the normal going concern basis which asumes that the company will obtain further finance," shows that net short term borrowings increased for the year ended September 1975 by £213.1m. to £248.3m. The amount guaranteed by the Government was £89m. at year end, and part of the rights issue was used to repay this loan.

Net capital spending on fixed assets and tooling last year was slightly less than in 1974, amounting to £84.2m. against £98.7m.

Despite the lengthy arguments over the need for new capital injections into the company, it is clear that the expenditure programme will be pursued cautiously. At Leyland Cars, a moratorium has been imposed on signing-off new expenditure until results improve, and the report stresses that investment will be only slightly higher this year than last.

"It will take time for the planning to become expenditure whether on ne wmodels or new facilities," it says.

On staffing levels, the other major contentious issue during the Government takeover talks, the report shows that the total workforce was reduced by 17,000 to 191,000. In the U.K. the employment level dropped by 9,000 to 164,000.

Unit sales of cars dropped from 858,000 to 663,000 but sales of commercial vehicles increased by 14,000 to 168,000 units, and of agricultural tractors by 1,000 units to 14,000.

The company is also preparing for another tough market this year. Although recent indications suggest that car sales this year may equal last year's (the figures for January and the first ten days of February are better than the comparable figures last year), BL says that it will need to improve sales and service facilities in order to retain market share.

The report indicates that the question of the compensation payment for Mr. John Barber, the former deputy chairman and managing director of the company, has not been settled. No provision has been made for liabilities arising out of the actions which may be taken against the Corporation by former executive directors, it says.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1975/6 High	1975/6 Low	Stock	Closing Price p	+ or −	Div. Amount	Times Covered	Gross Yield	P/E Ratio
80c	F.P.	—	540	420	Ang.Am.Gold Corp. 50c	520	[illegible]	[illegible]	2.8	4.0	—
U.S.$	F.P.	—	$12¼	$12	Brazil Fund S.A.	$12	—	—	—	—	—
$10,500	F.P.	—	$10,800	$10,500	[illegible] S.A.	$10,500	—	—	—	—	—
—	F.P.	—	245	239¼	Hughes Tool $1	234½	−1½	Q46c	—	0.8	—
10	F.P.	—	205	176	LASMO 'OPS' Units 10p	120	−5	—	—	—	—
10	F.P.	—	205	176	SCOT 'OPS' Units 10p	170	−5	—	—	—	—

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1975/6 High	1975/6 Low	Stock	Closing Price	+ or −
£100	F.P.	—	100	99¾	Agricultural Mort. 10¼% Deb. 1977	100	+¼
£100	F.P.	7/5	104	98	Arbuthnot Lath. 8% Conv. Uns. 1988	104	—
£100	F.P.	19/5	134	125	Bowring (C.T.) 10% Guar. Uns. Loan 1987	130	—
$100	—	—	99½	98	British Gas Corporation Ind. Notes 1981	$99½	—
£98	F.P.	23/1	104¼	99¾	Essex Water 9% Red. Pref. 1981	100¼xd	−1
[illegible]	[illegible]	26/6	12¼	10½p	Jardine Math. 7½% Conv. Uns. 1990	11	−¼
£100	£50	—	32½	30	LASMO 14% Uns. Loan 81-86	30½	—
$100	F.P.	—	99½	99⅛	Midland Bk. Float/Rate Notes 1985	$99½	—
$100	F.P.	—	101	99¾	Norway 8¾% $ Notes 1981	101	—
£100	—	16/2	112	92	Peoples 10% Conv. Uns. 1986	109	—
$100	F.P.	—	99½	99½	Royal Tst. Mort. Corp. 9% Deb. 1981	$99½	—
£100	£50	—	42½	43	SCOT 14% Uns. Loan 81-83	30¼	—
$100	F.P.	—	99½	99½	[illegible] 9% Notes 1985	$99½	—
£50p	F.P.	17/11	[illegible]	45p	[illegible] 10% Cum. Conv. Pref.	47½	—
[illegible]	F.P.	20/5	128	110	[illegible] 10% Sterling $ Conv. 81-85	126	—

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date		1975/6 High	1975/6 Low	Stock	Closing Price p	+ or −
10	F.P.	2/2	[illegible]	32	30	Amber Day	27½	+1
64	F.P.	4/2	26/2	76	67	Armitage Shanks	67	—
60	F.P.	13/2	12/3	65	60½	Baker Perkins	64	—
95	F.P.	11/12	4/4	148	94	Beresford (S & W.)	146	—
120	Nil	—	—	20	17½	Blackwood Hodge	18pm	—
59	Nil	6/2	5/3	88	8w	Bristol Board	86	—
52	F.P.	21/1	20/2	44	35	Brooke Bond	40	—
25	F.P.	17/2	24/5	28	25½	Brown Boveri Kent	27	−½
75	Nil	—	—	22	18	Carpet Intnl.	18½pm	−1½
60	F.P.	19/6	20/2	78	64½	Fairey	78	+½
72	F.P.	9/1	20/2	80	70	Green's Economisers	77	—
18	Nil	—	—	—	7½	Jackson (J. & H. B.)	7½pm	—
57	Nil	—	—	8	6	LCP Holdings	8½pm	—
50	F.P.	25/1	12/3	70	60½	Lake & Elliot	66	+1
25	F.P.	13/2	16/3	25	15	Liner Concrete Machinery	21	+2
87	Nil	—	—	10½	8¼	Lloyd (F.H.)	9pm	—
$1.60	F.P.	30/1	13/2	302	270	Nat. Bank of Aust.	280	−5
110	Nil	23/2	19/3	35	21	Ocean Transport	21pm	−2
64	Nil	24/2	25/3	27	18½	Stenhouse Hldgs.	19½pm	+1
80	Nil	25/2	24/3	12	10	Strong & Fisher	10pm	—
10	F.P.	5/2	2/4	14	12¼	Tomkins (F.H.)	12½	+½
105	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Wolseley-Hughes	[illegible]	[illegible]

Volume drop hits Albright

ALTHOUGH sales in cash terms expanded at Albright and Wilson during 1975, a reduction in volume, both at home and overseas, resulted in pre-tax profits finishing the year £4.25m. adrift at £18.54m.

Second half profit was marginally better than that of the first —when a fall from £11.65m. to £9.09m. was reported—helped by gains from overseas earnings caused by the declining value of the pound.

Basic yearly earnings per 25p share are shown to have fallen from 12.4p to 9.3p and fully diluted from 12.3p to 9.1p. The dividend is stepped up from 3.5175p to 3.75375p with a final payment of 2.07875p net.

	1975 £000	1974 £000
Sales	327,258	304,413
Operating surplus	25,630	29,308
Depreciation	5,084	5,415
Investment income	3,732	2,529
Interest payable	5,470	4,496
Share of Associates	332	353
Profit before tax	18,540	22,789
Group tax	6,562	7,968
Associates tax	204	234
Net profit	11,474	14,587
Minority profits	466	247
Pref. dividends	123	123
Extra-ord. credits	1,073	924
Attributable	11,958	15,141
Ordinary dividends	4,411	2,340
Retained	7,547	12,801

The directors state that the fall in sales volume began in the second quarter, continued in the third, and showed a modest recovery in the fourth quarter.

Most selling prices remained firm during the year, and in certain areas were able to be increased to reflect higher costs. Cost reduction programmes in the second half helped to arrest the increase in fixed costs which was experienced in the first six months.

Design modifications were made to No. 1 Furnace at the Long Harbour phosphorus plant early in the year. However, a strike closed the whole plant from May to end September and it was not possible to resume production until the end of December, when No. 1 Furnace was restarted. Adequate supplies of phosphorus were maintained from the Varennes plant and by purchase. The redesigned furnace has operated at a satisfactory rate since start up.

The planned capital expenditure programme continued in 1975 when £15.2m. was spent compared with £10.2m. in 1974.

The company manufactures chemicals and allied products.

See Lex

Intel moves ahead

The eleventh annual report of Intel Investment Fund shows that its value on December 31, 1975, stood at £3.86m., compared with £1.98m. at the beginning of the year. Total distribution for the year amounted to 3.01p net per unit against 2.72p net for 1974.

Lord James Crichton-Stuart, chairman, reports that the managers invested a substantial part of the fund's liquidity in the early part of 1975, reducing the cash assets of the portfolio from 23 per cent. at the beginning of the year to under 5 per cent. at the end.

He points out that despite the favourable timing of this move, any fund that is partially liquid must to some extent be left behind by such a sharp market recovery. Intel's fund rose by 86 per cent. in 1975.

Guildhall Prop. sees peak year

AN ADVANCE in pre-tax profit from £107,350 to £239,510 is announced by Guildhall Property Company, which is "close," for the half-year to December 31, 1975.

And the directors anticipate a year-end increase over the previous 12-month record £410,853 but not at the rate indicated by the first-half figures.

The interim dividend is held at 0.5025p net, absorbing £30,652. The 1974/5 total was 1.9855p.

	Half year 1975 £	1974 £
Income	313,500	268,300
Interest payable	56,720	56,720
Deprec. and amort.	4,570	4,750
Management expenses	12,700	9,630
Profit before tax	239,510	197,350
Tax	120,650	95,400
Net profit	118,860	98,950
Preference dividend	5,460	5,460
Attributable	113,400	93,490

Bogod-Pelepah profit up £40,000

Sewing machine distributor and textile machinery manufacturer Bogod-Pelepah announces profit up £40,000 to £140,000 for the six months to September 30, 1975, subject to tax of £72,800 against £52,000.

For the whole of the year to March 31, 1975, pre-tax profit was £212,000.

The interim dividend per 10p ordinary share is 0.25p net against an adjusted 0.283p—the previous total was equivalent to 0.73p.

Yeoman Trust earnings up

Profits of the Yeoman Investment Trust rose from £456,784 to £532,877 in 1975 before tax of £187,683 against £156,790. Earnings per 25p share are stated as 6.04p (5.20p).

A net final dividend of 3.4125p makes a total of 5.3625p against 4.5525p a year earlier—a final payment of not less than 2.7625p was anticipated.

Gross income for the year rose from £723,819 to £736,732 including £4,500 (nil) dividend from a subsidiary. Interest and management expenses totalled £228,235 (£269,035).

Net asset value per share amounted to 183p (100p).

Daejan to make about £1m.

THE DIRECTORS of property investment company Daejan Holdings report a £100,000 midway decline in pre-tax profits at £530,000 but forecast, however, that profits for the full year to March, 1976, will be similar to last year's £1.01m.

Earnings for the six months to September 30, are shown to be down from 1.61p to 0.86p. As known, the interim dividend is 1.1375p (1.1725p) net costing £185,359. Last year's total was 2.96p.

	Six months 1975 £000	1974 £000
Rental income*	2,273	2,885
Trading profits	565	790
Interest receivable	32	38
Expenses, etc.	2,360	2,383
Profits before tax	530	630
Tax	303	360
Minorities	8	8
Net profit	137	262

* Less property outgoings.

As a result of a change in accounting policy the whole of the loss on exchange to date in respect of foreign currency borrowings has been charged to Capital Reserve. Last year's figures have been adjusted by deleting the provision of £78,000 then made for such losses.

Statement, Page 16

Foreign and Colonial still ahead

For 1975, revenue of Foreign and Colonial Investment Trust rose from £3.2m. to £3.4m. subject to tax of £1.39m. compared with £1.24m.

A higher final dividend of 1.78p net compared with 1.612p lifts the total to 2.38p against 2.412p.

Earnings per 25p share are shown as 2.84p against 2.87p while net assets expanded from 93p to 167p.

	1975 £000	1974 £000
Total revenue	5,015	4,785
Expenses and int. charged	1,622	1,513
Share of associate's profit	4	16
Pre-tax revenue	3,397	3,288
Tax	1,386	1,343
Net revenue	2,011	1,937
Minorities	10	—
Attributable to Ord.	2,001	1,937
Preference dividend	94	94
Ordinary dividend	1,683	1,382
To reserve	224	261
Consolidated assets	160,269	61,037
Investments	137,520	70,278
Freehold property, etc.	2,279	2,216
Net current assets	2,383	7,218
Pref. and loan capital	22,442	18,675
Minority interests	480	—

Charterhouse Group

The chairman of Charterhouse Group, Mr. J. G. Vaughan told the annual meeting that he had no doubt that results for the first half-year, ending March 31, 1976, would show an acceptable improvement on the comparable period last year. However, Mr. Vaughan qualified this by saying that "the first half of last year was a particularly bad one for profits."

So far as the year as a whole was concerned, latest forecasts indicate that, providing that there were no setbacks in the second half, profits before tax should be higher than last year, although they were not expected to match the level of 1973/74.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims: Garford-Lilley Industries, Jos Holdings, MFI Warehouses, Tor Investment Trust, Turner Curzon, Wedgwood, S. W. Wood.

Finals: Allied Insulators, Anglo-International Investment Trust, Berisfords, British Australian Investment Trust, Cornell Dresses, Fife Forge, J. and W. Henderson, Imperial Chemical Industries, London and Lomond Investment Trust, M K Refrigeration, Marchwell, Matthews Holdings, Newbold and Burton, Olives Paper Mill, Reed Executive, Scottish Eastern Investment Trust, Trust Houses Forte, Updown Investment.

FUTURE DATES

Interims:	
Lothian Investment Trust	Feb. 25
Wiltrust	Feb. 20
Finals:	
Alliance Trust	Mar. 3
Anglo-Welsh Invest. Tst. (Contd.)	Feb. 23
Ashmole Investment Trust	Feb. 23
Crouch (Derek) (Contractors)	Feb. 20
First Scottish American Trust	Mar. 2
Nottingham Manufacturing	Feb. 24
Rea Brothers	Feb. 25
Scottish Television	Mar. 5
Stone-Platt Industries	Mar. 23

Vanburgh Funds

The report on the performance of the various funds of Vanburgh Life for the year ended September 22, 1975 (the period since Prudential Assurance acquired Vavasseur Life and renamed it Vanburgh) shows that the Equity Fund achieved the largest increase with a rise of 69.3 per cent. The managers invested most of the fund's liquidity early in the year, but could not catch up the rise in the market. The fund has remained fully invested for the rest of the period.

The Fixed Interest Fund increased by 19 per cent., the portfolio which was 100 per cent. liquid at the start of the year finished almost fully invested at the end.

The Property Fund rose by 6.8 per cent. and the portfolio moved from 100 per cent. cash to 30 per cent. in property by the end of the year. In the spring of last year a programme of selective purchases was started and the fund now has 11 properties with an outstanding commitment on a further eight.

The Managed Fund, which is 55 per cent. in equities, 23 per cent. in property and 16 per cent. in fixed interest, increased by 31.2 per cent. on the year and the Cash Fund rose by 6.8 per cent.

Overall size of the Vanburgh funds stood at £8.6m. on September 22, 1975, but rapid expansion since then has seen this value climb to £19m.

Tobacco Securities Trust Company Limited

The forty-eighth Annual General Meeting was held yesterday Sir Richard Dobson presiding.

The accounts for the year to 31 October 1975 showed an increase in net profit of the Group from £3,320,000 to £3,325,000.

A major investment transaction during the year was the disposal of part of the holding in The West Indian Tobacco Company Limited, in conformity with the policy of the Government of Trinidad, which calls for a progressive reduction in foreign shareholdings in local industry. A public offer for sale was made of 975,000 shares at TT$2.50 which was oversubscribed by nationals of the country.

The market value of the quoted investments showed a substantial and welcome improvement. This was due, firstly to the sharp rise in equity share prices on most of the world's stock markets between October 1974 and October 1975; secondly to the reflection, in the case of foreign equities, of exchange rates and the investment currency premium; thirdly, to the Board's decision to reinvest in equities part of the amounts held on deposit or in short-dated U.S. Treasury Notes at the previous year end. Although some profits were realised and taken to Reserve, purchases in the general equity portfolio exceeded sales in the period under review by about £3,500,000.

At the same time, in view of the generally improved climate in stock markets, the Board placed higher values in total on the Group's unquoted investments.

With regard to income, the relative weakness of the pound sterling increased the sterling value of overseas dividend income and it was partly for this reason that income from the investments in tobacco, as well as dividend income from the enlarged general portfolio was higher than in the previous year. However, a consequence of the diversion, during the year, of a proportion of the Company's resources from deposits to equities was a reduction in interest received. For this reason the increase in total income was very small.

The Board was concerned to maintain an appropriate balance between the holding of cash, which combines higher income with the certainty of a decline in real value, and equities, which provide less income in the short term but offer the prospect of growth.

Stockholders were first informed in 1972 that the Company would lose authorised investment trust status on 1 November 1975. It was not possible for the Company to comply with the revised qualifications for investment trust status established in the Finance Act 1972 and there will be some adverse effects, both on the Company and on its members.

The Board recommended an increase in dividends, the sixth in as many years, but reminded members that in the difficult economic circumstances of the world at large and of the United Kingdom in particular, it would be unwise to assume that this progression would continue with the same regularity in future.

The Report and Accounts were adopted, the recommended dividends were approved, and the proceedings terminated with a vote of thanks to the chairman, directors and staff, and congratulations to the chairman on the honour of a knighthood conferred in the New Year Honours' List.

A copy of the accounts is available on request from the Secretary at Westminster House, 7 Millbank, London, SW1P 3JE.

MINING NEWS

Northgate's 71% fall in profit

BY KENNETH MARSTON, MINING EDITOR

CANADA'S **Northgate Exploration**, whose revenue comes from the Tynagh lead-zinc mine in Ireland's County Galway, reports a further fall in net income to $358,000 (£177,700) in the fourth quarter of 1975. This brings the year's total to $1.16m. (£0.57m.) equal to 17 cents (8.4p) on 6.89m. shares compared with the 1974 total of $4.03m., or 61 cents per share on 6.6m. shares.

It is pointed out that the fall in 1975 income reflects lower prices for lead, silver and copper (the group's copper-producing Gortdrum mine went into the red last year) coupled with reduced production and generally higher operating costs. At the same time Northgate has spent more on exploration, targets being near Tara Exploration's rich zinc deposits at Navan and the search for an extension of Northgate's Tynagh orebody.

In conjunction with **Westfield Minerals**, Northgate is also examining offshore placed gold concessions near Nome in Alaska. Hopes for the latter drilling were earlier held responsible for the recent advance in Northgate shares which have come up from 240p in November.

But the possibility, mooted then in Mining Notebook, of a bid for the company has emerged as the major factor—Canada's Noranda has been mentioned in this context—and yesterday Northgate jumped 20p more to 455p. after having touched 470p, making a three-day rise of 70p. Westfield reacted 30 to 172p yesterday, leaving them with a three-day rise of 15p.

AMCOAL RESULTS

The new **Anglo American Coal Corporation** announces its first results with a 1975 net profit of R14.87m. (£8.44m.). This equals earnings per share of 63.3 cents (35.9p) compared with the November forecast of 61.5 cents. A final dividend of 17.5 cents lifts the 1975 total to the as-forecast 28.75 cents (16.3p). The shares were 25p down at 420p yesterday.

WESTERN MINING PRODUCTION

In the six weeks to February 10, **Western Mining** treated 157,537 tonnes of ore at its Kambalda nickel mine in Western Australia, including 8,660 tonnes of material purchased from the Nepean mine of **Metals Exploration**. In the previous four-weekly period 129,007 tonnes were treated including 10,087 tonnes of purchased ore.

The Kambalda nickel ore grade in the latest period was 2.99 per cent. against 3.08 per cent. resulting in a nickel concentrate output of 34,357 tonnes compared with 29,758 tonnes. The concentrate grade was slightly higher at 12.48 per cent. (11.99 per cent.) nickel and 1.02 per cent. (0.95 per cent.) copper.

In addition, 14,224 tonnes (9,830 tonnes) of concentrate assaying 10.33 per cent. (11.21 per cent.) nickel was produced at the Windarra nickel project in which the company has a joint interest with **Poseidon**. Western Mining were 150p in London yesterday.

More 'free' gold sales

FOR THE THIRD week running, a modest fall is reported in South Africa's gold holdings. Reserve Bank figures for the week ended February 13 show that the Republic's holdings fell by R0.9m. to R525.1m. indicating that around one tonne of metal was sold from reserves in addition to the week's newly mined output which is estimated at around 14 tonnes.

In the last two weeks, the bullion price has moved between $128 per ounce and $131.50, closing yesterday at $131.25. That South Africa has been able to sell small amounts of metal in addition to newly mined production on the free market suggests that there is an underlying support for the metal price at around these levels.

Meanwhile, in Johannesburg, Mr. Richard Lawrence, president of the Chamber of Mines of South Africa, expressed optimism about the long term price of gold although he added that it is unlikely to rise substantially in the short term. He said that deficit spending by the major economies and increased credit facilities in al spheres of activity will prove inflationary with added advantages for gold.

FIRST QUARTER AT CRAIGMONT

Lower copper prices and reduced shipments of concentrates have caused a fall in net earnings for the quarter ended January 31 to $546,000 (£271,000) for Canada's **Craigmont Mines** from $644,000 for the same period a year ago, equal to 11 cents per share (5.46p) against 13 cents previously.

The company's president, Mr. R. G. Duthie, said that the higher than average grade of ore mined coupled with continued operating efficiencies resulted in lower operating costs during the latest period which partially offset the effects of lower prices and shipments.

Craigmont is some 45 per cent. owned by **Placer Development** and 25 per cent. by **Noranda Mines**. The last-named company has reduced the current quarter's dividends on its "A" and "B" shares to 30 cents and 25.5 cents, respectively, from the previous 50 cents and 43.5 cents.

MINING BRIEFS

WESTERN MINING—Six weeks to February 10: Central Norseman treated 16,989 tonnes for 7,437 ounces gold. Kalgoorlie Lake View treated 80,928 tonnes for 12,337 ounces gold.

Long-term confidence at Grand Metropolitan

MAJOR investments made in the first half of the 1970s by Grand Metropolitan will now enable the group to "look forward with confidence to the time when trade in the U.K. starts its upward spiral," says the chairman Mr. Maxwell Joseph in his annual statement.

The programme of major acquisitions and subsequent investment in rebuilding and re-equipping several major breweries, distilleries, dairies and other properties was made at a time when costs were substantially lower than those prevailing today, explains the chairman.

The long-term performance resulting from this policy has still to be seen but this long-term strategy of the early 1970s should "show massive benefits by the early 1980s."

The group has now reached the stage when financial consolidation can be achieved, and a reasonable level of capital expenditure, necessary to safeguard and improve natural development, can be made from normal cash flow, he adds.

As reported on January 24, external sales expanded from £940.24m. to £1.2bn. in the year to September 30. Pre-tax profits rose from £33.41m. to £41.96m. and the dividend total is lifted from 3.24p to 3.457p net per 50p share.

Net extraordinary debits of £8.91m. include exchange differences on converting overseas assets of £6.42m. after tax relief. The accounts show that directors' emoluments include £69,000 paid by a subsidiary in compensation.

Major investment commitments continued into the first part of the year, borrowings having reached their peak at the end of 1974. Capital spending has now been reduced and cash flow has been positive since the early part of 1975.

The trend of borrowings is distorted by the effect of sterling depreciation on foreign currency borrowings but over the year the cash generated from operations and the proceeds from sales of assets have been sufficient to cover capital expenditure in spite of the effect of the major programmes in the first part of the year.

There was a net cash surplus of £36.28m. (deficit £79.51m.) at the year end. Net capital expenditure on fixed assets was £58.02m. (£76.76m.). Proceeds of sales of assets came to £22.82m. (£12.8m.). Net assets per share stood at 81p (55p).

The rights issue last September was successful says Mr. Joseph and the proceeds will be used to reduce borrowings and with other measures should enable consideration of internal expansion.

The long hot summer had a detrimental effect on the profitability of entertainment branches, particularly dancing, members are told. A further blow was dealt when, in September, a House of Lords decision made it illegal to sell alcoholic drinks over a bar with a special hours certificate. Within weeks attendances declined and [illegible] dropped.

Business in the bingo hal[ls im]proved and the 1975/76 [...] should prove to be a good [...]

Gaming profits showed a [...] decline and are likely to det[erior]ate further during the c[urrent] year. This is the result o[f] extra taxation introduced [with] effect from October 1. C[...] steps have been taken to [miti]gate the effect of this in[crease] but total gaming duty wi[ll] be substantially higher.

Turning to the milk and [...] division Mr. Joseph says th[e] year saw a steady further [deter]ioration in the volume of [milk] produced in this country an[d the] quantity available for ma[nufac]ture. The latter reduced by 10 per cent. and because o[f the] severe drought in the su[mmer] the quality of the milk det[erior]ated.

The outstanding feature [...] ing the trading was the succ[essive] increases in the retail pri[ce of] one pint of milk from 4[...] October, 1974 to 8½p in Nove[mber] 1975. Despite this rise of [...] cent. sales in England hav[e] slightly declined.

Hotels had a good year, a[...] the general trend, and "coped remarkably well in difficult trading circumstanc[es]."

Watney Mann and T[ruman] Brewers saw significant de[velop]ments in the two most pro[fitable] sectors of the beer market [—pre]mium bitters and lagers.

Meeting, Empire Ballroom, on March 12, at 11.30 a.m.

Improvement in U.S. for General Accident

PREMIUMS written by eral Accident Fire and Life urance in the U.S. during 1975 eased from U.S.$318.03m. to .411m.

et premiums earned rose from .42m. to $333.07m., the itory underwriting loss was 7m. against $4.29m., and ine from investments was 1lm. compared with $36.43m.

e directors say that the roving underwriting trend in U.S. during 1975 continued the last quarter, when the ating ratio as 103.08 per . In the U.K. also there was improvement but other ter- ies have performed less well the final quarter and the lts from Europe are "par- arly disappointing."

e preliminary statement of world-wide results of the p for 1975 will be published rds the end of March.

Statement, Page 21

See Lex

.Cowie xpand motor ycle outlets

a result of an increased nd for motor cycles, wie has opened motor cycle tments at most of its loca- the chairman, Mr. T. Cowie, in his annual report.

ry little capital has been ved and it is anticipated that orthwhile contribution to s will be made during the nt year.

directors intend to continue roup's expansion programme potential acquisitions are constantly investigated, the nan says.

reported on January 27, pre- rofits for the year ended mber 30, 1975, rose from 00 to £734,000 and the net nd is 1.3873p (1.3p). The division profit contribution 70,000 compares favourably £220,000 in 1974, the finance n contributing £264,000 000).

the motor division, some s in the control of operat- sts together with improved ncy led to the increased ibility, says Mr. Cowie.

rring to the finance divi- the chairman says the e of new business available traditional motor trading s has remained at a d level, although the of the portfolio remains nt.

rations have been stream- which has more than tely equipped the division eet future requirements. ects for the current year od.

ARLEY

use of rapid expansion the Marley Group, Marley has diversified to form two new companies, Marley Retail Supplies, the products division, and Marley Homecare, the shops division.

The previous Marley Retail was considered too general for the specific administration of each division.

John M. Newton up at midway

FOR THE half-year ended September 30, 1975, pre-tax profits of John M. Newton rose from £230,496 to £254,032 on higher turnover of £1.47m. against £1.3m.

The net interim dividend is again 0.42p—for the year ended March 31 last year, the total was 1.25463p when pre-tax profits totalled £500,979.

First-half tax charge is £132,000 (£120,000) leaving net profits at £122,032 against £110,496. The group trades as building and glass merchants and makers of light fittings.

Ampol hoping for increase

The chairman of Ampol Petroleum, Mr. W. M. Leonard, told yesterday's AGM that shortages and the need to import petroleum products at higher prices had affected sales and profits during the first four months of the current year.

But the Board anticipated that profits for the half year should exceed that of same period last year provided there were no further interruptions to supplies. The chairman said that it was not possible to predict profit for the full year, although the Board had budgeted for an increase.

Brayhead investors lose all

Shareholders in Brayhead, the investment trust company, have been told by the Official Receiver, Mr. James Christmas, that their investment "appears to have been lost." Issued capital was 22.23m. 10p shares.

And the hopes of unsecured creditors, owed £1.7m., were "forlorn," Mr. Christmas said at a creditors' meeting in London.

The only uncharged assets available were expected to realise £6,432. And first to get any dividend would be preferential creditors, owed £2,204. The company's other assets were fully mortgaged, Mr. Christmas revealed.

BIDS AND DEALS

Offer for Assam Consold.

Hampton Trust intends to make an offer for the capital of Assam Consolidated Tea Estates, which values each share at 30p each.

The terms offered are five shares of 5p of Hampton for every two Ordinary shares in Assam Consolidated. Preference holders are being offered £1 for each share.

The Board of Assam Consolidated will be considering this offer in consultation with Robert Fleming and will advise shareholders in due course. Shareholders are being advised to take no action.

FOOD CONTAINERS CHANGES HANDS

Senior management of Aldershot based Food Containers have made a successful take over bid for the company. Steadily increasing sales persuaded them to buy the business when it was offered for sale recently by its former parent—and they are already making expansion plans.

Backed by ICFC and Barclays Bank, Mr. Geoffrey Spinks, managing director of Food Containers when it was a member of the now defunct FPE Group, and sales managers Mr. Mike Higgins and Mr. Gerry Benjamin, have formed a consortium to run FCL, its sister companies FCL Medical Supplies, and Freezer Packaging, all of which are based in Aldershot.

The three companies will be operating subsidiaries of Spinks and Co. (Liverpool). The new group will continue to represent a number of foreign suppliers in the U.K. including Dyno Industries AS and Keyes Fibre. The company is also the sole distributor in the U.K. of the Catering Pac food processing and packaging system, a concept which is being rapidly adopted throughout the food trade.

Plans to expand the company and its sphere of activities are already in hand.

ESSEX SAFETY EQUIPMENT

As a result of the appointment of Receivers to various companies within the Charles Spreckley Group, Essex Safety Equipment, a security and fire alarm manufacturing company within the group, is expected to go into liquidation shortly.

However, the directors have now negotiated the sale of the main assets and goodwill, after consulting a number of major creditors, with the intention of continuing the business.

A new organisation, trading initially under the name Essex Safety Equipment as a division of the buyer, Lab-Craft, will employ all the staff of the old company and expects to continue and expand sales of security, fire detection and alarm equipment as well as completing all of the outstanding sales contracts of the old company.

LDN. & NORTHERN

London and Northern Group has acquired 53 per cent. of A. Farquhar (Builders), a building and construction company based in Aberdeen, for £724,342, half of which is payable immediately with the balance in April.

That part of the consideration payable immediately has been satisfied by the issue of 964,182 Ordinary shares.

A listing has ben granted for these which have been placed on

SHARE STAKES

G. R. Dawes Holdings has purchased a further 43,000 Centreway Securities Ordinary shares.

Second City Properties announces that Allied London Properties has reduced its holding in the company to 1,562,666 Ordinary shares (14.87 per cent.).

Estates House Investment Trust announces that, due to the recent increase in the share capital, Slater Walker, its subsidiary, unit trusts, etc., now hold 3,890,493 Ordinary shares in the company (19.57 per cent.). This does not constitute a disclosure under the companies act.

British Printing Corporation has reduced its holding in Marshall Cavendish to 2,888,576 Ordinary shares.

Hamilborne is interested in a total of 1.64m. Ordinary shares in Automated Security (Holdings), representing 20.03 per cent.

Estates House Investment Trust has disposed of its holding of 1,612,500 shares in Yule Catto.

Holding of Norddeutsche Affinerie in Amalgamated Metal Corporation has been increased in period up to January 31 by the addition of 30,000 shares to 880,813 shares (14.16 per cent.). The holding of Patino NV is unchanged at 3,232,610 shares (51.43 per cent.).

Consolidated Gold Fields holds 744,000 Ordinary shares in Mixconcrete Holdings, representing 10 per cent. of Ordinary. CGF has notified Mixconcrete that this holding forms part of its normal portfolio of investments.

Towles—Pex Socks and Stockings has purchased 82,169 Ordinary shares in the company.

NOTTINGHAM BRICK

The chairman of Nottingham Brick, Mr. W. D. Crane told shareholders at the annual meeting that he was expecting to report substantially improved profits at the interim stage in May.

Mr. Crane said the financial position was continuing to improve and the company expected to finance mechanisation of the sorting and packing of bricks, which would involve considerable capital expenditure, from retained profits.

He was more than hopeful that the year's results would reflect "a proper return" on the investment made in recent years.

PTUNION S.A.—C.M. INDUSTRIE

. INDUSTRIE (Capital: 68,422,750 French Francs). Head e: 20 Rue des Fosses. St. Jacques, 75005—Paris. Manu- irers of Pharmaceutical, Chemical and Surgical Materials Foodstuffs, in association with the INSTITUTE OF USTRIAL DEVELOPMENT (I.D.I.), have taken control of APTUNION GROUP, who are the leading Manufacturers lace Drained Fruits in Europe.

Aptunion Group specialise in the production and eting of Glace Fruits, Fruit in Syrup and Fruit in hol, directly supplying both the consumer market and and small industrial users. Their industrial and com- ial implantations cover not only Europe but equally the ., Canada, South Africa, Australia and Japan, with an al turn-over in excess of 120 million French Francs.

majority of the capital of Aptunion, i.e. 51%, has been ired by the SOCIETE D'EXPLOITATION G.A.C.I. (Groupe- Aptesien de la Cerise Industrielle), with an option of an tional participation of 18% of the total capital.

to this, in order to assure themselves of a majority rol, C.M. Industrie acquired a 51% holding in the capital .A.C.I., the remainder of the shares being held by I.D.I. INDUSTRIE in this way have advanced the development heir Food Division, using their resources to market ted products and bringing into operation the commercial industrial synergies existing between their Subsidiary panies.

his new situation APTUNION (U.K.) LTD. retains its er activities.

KILLINGHALL (RUBBER) DEVELOPMENT SYNDICATE

MR. ADDINSELL'S STATEMENT

ixty-sixth Annual General g of Killinghall (Rubber) pment Syndicate, Limited eld on February 18 in , Mr. J. Addinsell, the an, presiding.

which was affected by asures introduced by the an Government to reduce ion was 71,442 kilos lower 1973/74. This, combined fall of 9.39p per kilo in erage price received for ber, resulted in a reduc- the surplus from rubber ion of £18,976.

ugh tin tribute income reach the high figure d in the previous year the ceived again made the ontribution to the taxable For our current financial tputs for the first five of 239¼ metric tons have ported by Killinghall Tin , which compares with etric tons for the same n 1974/75.

y for the reasons set out it was not possible to he record profit obtained year ended 30th June evertheless, the company the satisfactory figure of £150,548 before taxation. After providing £95,919 for tax the board are recommending a final dividend of 4.668p per 10p share which, with the interim of 1.15p paid on 31st July, 1975, makes a total of 5.818p. This compares with 5.452p per share paid for the previous twelve months, and is the maixmum permitted under the current counter-inflation legislation.

One of main restrictions imposed by the Malaysian Government to reduce rubber production was a complete ban on the use of chemical stimulant. Shareholders will be pleased to know that this restraint was lifted in October and should result in improved crops which for the first five months of the current year were 128,595kg., as compared with 161,935kg. for July/November, 1974. Rubber prices have also improved since the end of the financial year. Given no unforeseen setbacks, therefore, the board expect to be able to maintain the current rate of dividend for 1975/76.

The report was adopted.

Agents & Secretaries:
Harrisons and Crosfield, Limited.

TO THE HOLDERS OF

iss Aluminium Australia Limited (AustraSwiss)

Guaranteed Floating Rate Loan Notes 1984

ordance with the provisions of the above Notes, rs Trust Company, as Paying Agent therefor, has shed the Rate of Interest on such Notes for the nnual period ending August 17, 1976 as eight and lf percent (8½%) per annum. Interest due on late will be payable upon surrender of Coupon

BANKERS TRUST COMPANY,
Paying Agent

D: February 19, 1976

SIEMENS

Information for Siemens Shareholders

Sales up 10%

Orders received during the first quarter of the current financial year (1st October – 31st December 1975) as yet gave no indication of economic revival. While domestic business continued at a steady pace, recording order receipts of £ 487 million, international business, with new orders valued at £ 472 million, dropped 6 % below levels for the first quarter of the preceding 74/75 financial year.

In comparison, first-quarter sales for the current financial year increased 10 % to £ 900 million, thanks to the high order volume of the past and to an ample reserve of backlog orders. Domestic sales increased 6 % from £ 463 million to £ 489 million, while international business made sales gains of 18 %, advancing from £ 352 million to £ 411 million. Our export sales from the Federal Republic of Germany rose 15 % to £ 203 million, contributing in a major way to the utilization of domestic plant capacities.

Between 30th September and 31st December 1975 our order backlog increased slightly from £ 3,268 million to £ 3,323 million, a 2 % gain. However, under-utilization of capacities continued to affect several areas, particularly components and standard products. Accordingly, the number of employees fell another 2 % from 296,000 to 292,000. Employment cost rose 10 % to £ 423 million.

Capital investment, which totalled £ 71 million, surpassed the preceding year's figure for the same quarter by 65 %. Expenditures for fixed assets ran 10 % lower and consequently played no part in this increase, which was due solely to a £ 15 million increase in the capital stock of Kraftwerk Union AG and the £ 18 million purchase of AEG-Telefunken's interest in Osram GmbH, Berlin and Munich. We now hold a 78.6 % interest in Osram GmbH; during 1976 the company will be incorporated into our Consolidated Balance Sheet. Osram's strong market position in Europe, combined with recently initiated measures to tighten up and revamp its organizational structure, should help the company not only to retain its position as one of the four largest lamp manufacturers, but also to become profitable again within a few years.

At 2.8 %, the net margin for the first quarter of the current financial year equalled that for the comparable period of last year.

	1st Quarter 74/75	1st Quarter 75/76	Change
Orders received (in millions of £)			
Domestic operations	735	722	− 2 %
less export orders	248	235	− 5 %
Domestic business	487	487	± 0 %
International business	499	472	− 6 %
	986	959	− 3 %
Sales (in millions of £)			
Domestic operations	638	692	+ 9 %
less export orders	175	203	+ 15 %
Domestic business	463	489	+ 6 %
International business	352	411	+ 18 %
	815	900	+ 10 %

	30/9/75	31/12/75	Change
Order backlog (in millions of £)	3,268	3,323	+ 2 %
Employees (in thousands)			
Domestic operations	207	203	− 2 %
International operations	89	89	− 1 %
	296	292	− 2 %
	1st Quarter 74/75	1st Quarter 75/76	
Employment cost (in millions of £)	384	423	+ 10 %
Capital expenditures and Investments (in millions of £)	43	71	+ 65 %
Inventories (31st Dec.) in % of sales	36 %	35 %	
Net income (in millions of £)	23	25	
in % of sales	2.8 %	2.8 %	

Amounts translated at Frankfurt middle rate on Dec. 31, 1975: £ 1 = DM 5.308.

Major orders from OPEC countries

Oil-producing countries invest a large part of their increased incomes in projects for the improvement of technical infrastructures and industry. Electrical engineering plays a key role and Siemens participation is extensive, being reflected in numerous major orders. One of these is for the expansion of the power distribution system in Saudi Arabia. This £ 19 million contract entails, among other requirements, the laying of power cables.

Siemens AG In Great Britain: Siemens Ltd.
Great West House, Great West Road, Brentford TW 8 9DG, Middlesex

Major funding move by J. P. Morgan

BY GUY DE JONQUIERES

NEW YORK, Feb. 18.

J. P. MORGAN, the fourth largest bank holding company in the U.S. and parent of Morgan Guaranty Trust, to-day announced plans to issue 2m. new Ordinary shares and to raise $150m. in ten-year notes.

The proposed equity issue, which would be worth almost $120m., if sold at current market prices, is the first announced by any major money-centre bank for at least three years. It is also believed to be the largest in the history of the banking industry.

The sale, scheduled for early next month, is eagerly awaited on Wall Street as a barometer of the Stock Market's attitude towards the banking sector. *Banks have been out of favour* among investors for many months because of increased loan losses, and the New York city crisis. Other problems have affected market rating.

Most recently, commercial banks have become the target of several searching congressional investigations, following reports earlier this year that the Federal Reserve Board and other supervisory authorities were concerned about the financial condition of several major institutions.

The initial market reaction to Morgan's announcement was regarded as reasonably favourable. Its share price fell by a little over a point in early trading from yesterday's close of $59½. Last year, Morgan was quoted as high as $71.

If the planned issue is well-received, it could dispel some of the clouds overhanging the banking sector. But it is unlikely to unleash a flood of new equity offerings, in the view of Wall Street analysts, because only a handful of larger bank holding companies are in a sufficiently strong position to tap the equity market at present.

Though it has had its share of problems in recent months, *Morgan retains an image as one* of the most solid and conservatively managed banks in the U.S. While loans written off last year rose to $82.9m. from $23.4m. in 1974, Morgan's net profits still increased by 6.7 per cent. in 1975 to $191.9m., or $4.96 per share.

At current prices the company's shares are quoted at a healthy premium over book value (estimated at about $33 per share).

One of the uncertainties which could affect Morgan's outlook is the portfolio it holds of New York City-related debt, which amounts to about $200m. While these investments clearly make Morgan vulnerable to a new crisis in the city's finances, the bank is considered to be strong enough to absorb the impact without suffering serious difficulties.

Loan losses last year amounted to only 0.63 per cent. of the total portfolio, below the 0.67 per cent. average computed by Salomon Brothers for the 30 largest bank holding companies. In addition, exposure to loans to real estate investment trusts (REITS) is relatively small.

Though the proceeds of the *planned new equity issue will be* added to capital, Morgan is under no immediate pressure to boost its equity base. Its decision to make the new issue now seems to stem from a desire to consolidate a strong position in the banking sector, while the opportunity is available.

The $150m. in notes will be used to redeem outstanding commercial paper issued by J. P. Morgan. Both the equity and the note sale will be handled by a syndicate headed by Morgan Stanley.

AT & T lifts its dividend

AT & T has raised its quarterly dividend from 85 to 95 cents per share, payable on April 1 to shareholders of record March 2.

AT & T Chairman Mr. John Debutts said: "The decision to increase the dividend reflects the directors' confidence in the economy's continuing recovery and in our own business's prospects. The increasing demand for our services that we are currently experiencing supports that confidence. Growth in long distance calling is up and so are new installations."

He said: "For more than a dozen years it has been our policy, whenever business prospects have indicated an increase could be sustained, to increase the dividend in line with the growing book value of our shareowners' equity. More recently *we have sought to maintain* integrity of the dividend in the face of inflation. The directors' current action confirms to this policy."

AP-DJ

Shaheen suing UOP for damages

NEW YORK, Feb. 18.

SHAHEEN Natural Resources and two subsidiaries have filed a $189m. damages suit against UOP and its subsidiaries in connection with the Shaheen Refinery at Come-by-Chance, Newfoundland.

The suit alleges that the UOP companies represented themselves as having expert knowledge and ability in the fields of oil refinery design, engineering and construction and that, among other things, they breached the construction contract.

The UOP subsidiaries are Procon and Procon (Great Britain). The Shaheen units are Newfoundland Refining and Provincial Refining.

The Shaheen complaint alleges that substantial additions, alterations and other corrections had to be made to the refinery after it was placed in production in 1973. More changes are necessary, and the refinery has been unable to operate at the necessary volume to produce the yields projected by UOP.

The suit also alleges that severe operating problems, caused by errors, deficiencies and omissions in design and construction, were responsible for repeated shutdowns, fire and other hazards. They produced substantial financial losses rather than the profits projected by UOP studies.

Burmah holders to be offered Woodside rights

BY JAMES FORTH

SYDNEY, Feb. 18.

WOODSIDE-BURMAH OIL, the major partner in the consortium which is hoping to develop large natural gas discoveries off Australia's north west coast, plans to raise $A21m. through a rights issue. The major shareholder, Burmah Oil Company of the U.K., announced that it will not take up its rights, but sell them to existing shareholders. This will reduce Burmah's interest from 50.1 per cent. to 41.7 per cent. It is the second equity reduction by Burmah in the Australian company in recent months. Last November *it placed 6.5m. Woodside-Burmah* shares with Australian institutions, in a deal which raised about $A5m.

Before the placement Burmah held about 55 per cent. of the Australian company. Woodside-Burmah has a 50 per cent. interest in the consortium which has found several major natural gas fields off the north coast of Western Australia. Other partners are Shell Development (Australia) 16⅔ *per cent.*, BP Petroleum Development 16⅔ per cent. and California Asiatic Oil 16⅔ per cent.

Woodside-Burmah will issue 30m. shares at 70 cents each on the basis of one for every five held. This compares with the current market *price of $A1.14. Burmah* intends to place its rights with existing shareholders, also on a one for five basis for 30 cents a right, making a total subscription price of $A1 for accepting shareholders. The underwriters, Melbourne stockbrokers May and Mellor and Potter Partners, have guaranteed to place the Burmah rights not taken up by current shareholders. Burmah's decision means that it will receive about $A4.5m. instead of having to subscribe another $A10.5m.

In 1973 Woodside-Burmah raised $A30m. from a cash issue, but on that occasion Burmah took its full entitlement and about 30 per cent. of the issue was taken firm by British institutions and *banks*.

While Burmah's decision to forego its rights may have been partly influenced by the Australian Government's desire for a local equity of at least 50 per cent., it probably also has something to do with Burmah's own liquidity problems. Total foreign ownership of the consortium is still around 70 per cent

Funds raised will be used to finance the start of the second stage of exploration. This stage has already begun and includes the Tidepole well which recently struck oil and gas.

Canon may resume dividends

CANON Inc. may resume payment of dividend from the six months ended December 31, 1975, in view of a marked improvement in its sales of cameras and electronics copying machines, a company spokesman said.

Gross sales for the period are believed to have exceeded Y40bn., compared with Y33.8bn. in the preceding half-yearly term, he said.

Net after-tax profit is believed to have increased to more than Y2bn. Compared with a deficit of Y172m. in the preceding six months, which caused the company to pass the dividend for the term, he said.

Rennies dividend forecast

By Richard Rolfe

JOHANNESBURG, Feb. 18

RENNIES' results for the six months to end-December are the first since consummation of the deal by which Jardine Matheson acquired 53 per cent. of the South African group, in part by the issue of 7m. new shares to raise Rennies' issued capital to 21.3m. and in part by the purchase of 30 per cent. of existing shareholdings for cash at R3.50 per share. The figures now released show no change in either the pre-tax or net profits, the latter being maintained at R6.1m. and the net level a shade harder at R3.5m. Turnover however has risen from R49.8m. for the previous comparable period to R57.7m., so the margin squeeze evident elsewhere among South African industrials recently *reporting has not been escaped* by Rennies.

In addition, it no doubt has problems over its interests in Maputo (Lourenco Marques) though it does not own warehouses in the territory, its premises being leased. The company reported last week after the nationalisation announcement that it could simply end up paying rent to the Mozambique Government instead of to private landlords but that the whole situation needed clarifying.

One disappointment with the latest figures will certainly be the forecast dividend. After 20 cents last year—a 5.5 cents interim and 14.5 cents final—the Board has now repeated 5.5 cents interim. It adds that a second interim of 9 cents will be paid in August and a final of not less than 11 cents in February 1977. This makes 25.5 cents for the current 18 months accounting period and appears to contradict the earlier assurance that "the effect of the new share issue will be initially to dilute earnings per share but not divdends per share."

In the event earnings are down from 24.1 cents to 16.3 cents taking the total issued capital rather than a weighted average. There seems little doubt that the dividend has been diluted too. *The minimum 25.5 cents forecast* is only 17 cents on an annualised basis, dropping the yield with the shares down 20 cents to 200 cents to-day to a prospective 8.5 per cent. The Board's rationalisation is that the interim is being maintained and so is the previous 12 monthly payment.

Overseas orders to cut German Babcock margins

BY NICHOLAS COLCHESTER

BONN, Feb. 18.

AFTER A year of sharply rising profit to the end of September 1975, Babcock and Wilcox AG, the West German boilermaker, is expecting to return lower earnings in the current year because of the high proportion of its business which will be done overseas. Nevertheless the company hopes to maintain the dividend of *DM8.00* per *DM50* share which it will pay for the last business year.

German Babcock's order flow in the first five months of its current business year has continued to show strong growth, but entirely on the strength of overseas orders where the margins are smaller and the costs less predictable. The total of orders won during this period was *DM1.67bn.—up 40 per cent.* on last year's figure—but no less than 62 per cent. of this came from abroad compared with 51 per cent. in the same period of the previous year. The stagnant home market produced orders worth 10 per cent. less than a year earlier.

As a result, Babcock's order book at the end of February was DM6.8bn., or 45 per cent. larger than that a year earlier, but DM4.3bn. of this was from overseas. The Babcock management plans to have an order book at the end of the year of DM7.4bn. compared with DM6.07bn. at the end of September 1975, of which 70 per cent. will have been placed by foreign customers.

Babcock and Wilcox's group turnover target for the current business year is DM3.6bn. compared with the DM3.25bn. sold in 1974-75. This 10 per cent. increase would continue the turnover increase already achieved in the first five months.

Although the figures look encouraging, the Chairman of the company, Herr Hans Ewaldsen, made it clear that he was not happy with Babcock's increasing dependence on overseas markets where the price competition in Babcocks' most important product, power station boilers, was becoming increasingly intense. *Nor was he happy with Babcocks* use of capacity and its implications for employment. He called any talk of a reduction of West Germany's unemployment "irresponsible" and said that structural unemployment in the country had now become a reality.

Last year went very well for the company. Turnover to September 30, 1975, rose from DM2.863bn. for the group as a whole to DM3.25bn., while group after-tax earnings rose from DM32m. to DM40m. According to the standard West German accounting formula, Babcock's profits per share increased from DM29 to DM54. Net cash flow rose from DM61m. to DM121m.

Babcock and Wilcox's main business is the construction of boilers, but its divisions and subsidiaries have expertise in many other areas of fluid engineering. Until October last year the company was 25 per cent. owned by the British company of the same name, but the holding was then taken over by Iran which now has a representative on the supervisory Board. Shareholders are to be asked in March to authorise an increase in the share capital from DM137.734m. to DM175m. This will be achieved through the issue of DM28.466m. of new ordinary shares with rights to half the dividend which will be *paid for 1975/76*, and of DM8.8m. of preference shares with the same dividend rights but no voting right.

Deutsche Bank, Berliner Handels-und Frankfurter Bank, and Westfalenbank AG are underwriting the issue. DM26.1335m. of new ordinary shares and DM8.3m. of preference shares will be issued to existing shareholders on a one-for-four basis at a price of DM150 for each DM50 nominal share. The issue of the remainder of the new shares will be at the Board's discretion.

Handelsbank profits well ahead

BY HILARY BARNES

COPENHAGEN, Feb. 18.

COPENHAGEN Handelsbank, Denmark's biggest commercial bank, declared a net profit of Kr.331m. for 1975, up from Kr.99m. in 1974. The dividend will remain unchanged at 11 per cent., but there will be a Kr.150m. share issue, including a Kr.70m. rights issue, a Kr.70m. bonus and Kr.10m. will be made available for subscription by employees. The issue will bring the share capital up to Kr.850m.

The bank's net results are struck after tax, depreciation and *transfers to reserves. They in*clude a Kr.413m. increase in the book value of bond and share holdings. In the *1974 accounts* this item was a minus figure of Kr.169m.

The results also include a total tax figure of Kr.357m., which covers taxes payable on 1975 operations and estimated taxes on 1976 operations. Existing banking laws allow banks to write off taxes over several years, but in this case the supervisory board has evidently preferred to show a large tax *figure in order to bring net pro*fits down to a size which will not provoke unfavourable political comment.

Operating profits fell from Kr.421m. in 1974 to Kr.386m. This reflects the fact that for the first time in 30 years there was a fall in advances, which declined from Kr.9,486m. to Kr.9,223m. The recession was responsible for this downturn.

Deposits, stimulated partly by a large Central Government budget deficit as well as by an increase in household savings, *rose from Kr.11.5bn. to Kr.15.6bn.*

Perrier profits setback reflects market decline

BY RUPERT CORNWELL

PARIS, Feb. 18.

PERRIER, the French mineral water and dairy group, has turned in another poor set of results for last year. These follow difficulties in both its main operating divisions which have prompted anxious talk about its financial position in recent months.

The holding company, Source Perrier SA, could do more than break even in the year to September 30, 1975, compared with a net profit of Frs.28.6m. in 1973-74. The dividend—to be covered out of reserves—is to be cut to Frs.3.00 from Frs.6.00.

The disappointing performance of Perrier, especially after a long, hot summer which should have helped sales of its products, derives in large part from the problems which have plagued it and other major producers like Vittel and Evian for several years.

While signs are growing that the French are starting to lose their taste for mineral waters, the Finance Ministry has refused consistently to permit the price increases sought by the companies. Perrier officials point out that in consequence profitability is dropping alarmingly, despite the growth of the group overall.

Last year Perrier had a narrowly defined consolidated turnover of around Frs.1.5bn.—although if all its interests are included, the total is over Frs.4.5bn. (£480m.), making it one of Europe's biggest soft drink concerns. The group now employs over 10,000 people in 56 factories.

However, Perrier was also hit by its involvement in the troubled dairy industry, where expansion has been sluggish for some years. After the failure to win control of the Genvrain Group, Perrier officials point out that its Preval interests are not big enough to allow the economies of scale required. Although the group denies that it faces a grave liquidity crisis, as scaremongering Bourse talk here has had it recently, it is not concealed that the policy of high indebtedness pursued in the boom years for mineral water is now a handicap as the market has ceased to grow.

Nonetheless, Perrier—a specialist in sparkling water—is, on the face of it, in less difficulty than rivals like Vittel, a producer of still water for which demand dropped even more sharply in 1975. The overall fall in consumption last year is estimated at between 4 and 5 per cent.

Lawson assets

JOHANNESBURG, Feb. 18.

AB VOLVO and Lawson Motors Group said that they and some *of Lawson's major shareholders* had agreed that Volvo would have powers of control over Lawson necessary for an orderly realisation of the group's assets.

The Lawson group, which holds the Volvo franchise, said in January that it could not meet its commitments to Volvo, its largest creditor.

The agreement would facilitate negotiations on the continuation of the Volvo franchise for passenger cars in South Africa.

A franchise for trucks and buses is also under discussion, a statement said.

Reuter

French Eurobond withdraw[n]

Financial Times Reporter

THE Frs.100m. issue of [...] year Eurobonds for th[e] backed Caisse Centra[le de] Co-operation Economiq[ue has] been postponed indefinite[ly. The] issue, which has been o[n offer] for some days, was due t[o close] on February 19. But speculation against the fr[anc and] the resulting rise in Eu[ro] rates discouraged market [...] in the loan, lead m[anager] Societe Generale said ye[sterday.] Earlier this week the [issue] though going slowly, ha[d been] expected to be complete[d at] the 9½ per cent. coupon or[iginally] envisaged.

* * *

Conversely, the coupon [on] New Zealand's DM100m. [...] year issue has been cut f[rom] 7¾ per cent. originally i[ndicated] to 7½ per cent. The issu[e price] has been set at 99½ per [cent.] The final terms have be[en set] early because of strong [demand] for the notes fuelled by [specu]lative demand for D-mark[s.]

* * *

The Asian Development [Bank's] DM100m. 8 per cent. is[sue has] been priced at par.

* * *

PUBLICISED Euro[currency] credits rose about $2[...] $7.1bn. in the fourth qu[arter of] last year, the World Bank [said.] The Bank's report, issu[ed quar]terly and published by th[e Inter]national Monetary Fund [in its] IMF Survey, showed such [credits] declined by about 32 pe[r cent.] for the full year to $19.5b[n. from] $28.6bn in 1974.

The year-on-year decl[ine was] accounted for entirely by [a more] *than $12bn. fall in bor[rowing]* by industrialised countrie[s, which] more than offset a small i[ncrease] in borrowings by develop[ing and] other nations and by [inter]national organisations, [the] reports.

Denner expandin[g] fast

By John Wicks

ZURICH, F[eb. 18.]

LAST YEAR, when th[e Swiss] retail trade as a whole [recorded] a fall in sales averaging [...] cent., turnover of the [...] discount-store chain rose [by] 9.5 per cent. to Sw.Fr[...] (643.3m.): without c[...] Denner sales would s[till have] increased by over 5.8 [per cent.] The proprietor of the [...] concern, Karl Schweri, [...] one-half of the net [...] limited to a maximum [...] per cent. of turnover [...] disposal of price reduct[ion cam]paigns. Profits for 19[75 were] down to Sw.Frs.5.1m. (8[...]) 0.73 (1.27) per cent. of[...]

In Switzerland, the [Denner] chain expanded from 1[...] stores last year. In 19[76] Denner intends to book [a] turnover increase as la[...] a further 11 new shops [due] to open. In Austria [...] Denner opened four ne[w stores] in Vienna to give a to[tal] of eight, a new store is [planned] —also in Vienna—this [...] ber. There are also pos[sibilities,] says Schweri in such [...] states as Tyrol and Vo[rarlberg] *for Denner, whose name* [is well] known there due to the p[roximity] of Switzerland, but he [intends] to consolidate activitie[s in the] Vienna area first.

Sharp downturn at MEPC Australia

BY JAMES FORTH

SYDNEY, Feb. 18.

MEPC AUSTRALIA, the wholly-owned subsidiary of the U.K. property group MEPC, suffered a sharp downturn in 1974-75, incurring losses of $A4.8m.

This compares with a $A1.4m. profit the previous year. The major portion of the loss came from a $A3.3m. provision, already noted in the U.K. group's *accounts, for investments in and* loans to associated companies. These mainly involved Middle Harbour Investments, a housing development company which MEPC Australia put into receivership.

Results for the year to September 1975, were also affected by a $A1.2m. loss on the sale of investment properties. Total shareholders funds dropped from $A19.7m. to $A13.5m.

It is planned to reconstruct the capital of MEPC Australia with the U.K. parent agreeing to convert $A9.2m. of short-term borrowings to 2 per cent. long-term subordinated debt and to switch convertible notes to shares.

Before the property boom collapsed in Australia in 1974 MEPC planned a float to the Australian public.

The company recently made news through a dispute with the Sydney Stock Exchange. The Exchange terminated an agreement to take space in an MEPC development for use as a new Stock Exchange. A Supreme Court decision found in favour of Exchange, but MEPC is appealing.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Aquitaine 10pc 1985	103½	104½
Ashland 8pc 1987	95	96
Austrasweis 8pc 1987	93	94
Borregaard 8½pc 1987	97	98
Broken Hill 10pc 1990	104½	105½
Carrier 8pc 1987	93	94
Conoco 8pc 1980	99½	100½
Consol. Foods 7½pc 1991	91¾	92¾
Cutler Hammer 8pc 1987	94½	95½
EIB 9¾pc 1985	102½	103½
ERAP 9½pc 1985	102½	103½
Esso 8pc 1986 Nov.	100½	101½
General Cable 8¼pc 1987	91½	92½
General Motors 8¾pc 1986	103½	104½
Granges 9¼pc 1985	99½	100½
GTE 8¾pc 1986	98½	99½
New Zealand 9½pc 1982	103½	104½
Pacific Light 8pc 1985	96	97
Prov. of Quebec 7¾pc 1989	90	91
Quebec Hydro 8½pc 1989	99	100
Queensland 8¾pc 1987	93½	94½
Scanraff 8¾pc 1988	98½	99½
Shell 8pc 1986	99½	100½
Standard Oil (Ind) 8¼pc '88	100½	101½
Tenneco 7½pc 1987	90½	91½
Transocean 8pc 1986	99½	100½
Utah 8pc 1987	95½	96½
Volvo 9¼pc 1985	101½	102½
NOTES		
Air France 9¼pc 1982	102½	103½
Ardal 9¼pc 1980	103	104
Austral'n Ind. Dv. 10¼pc '81	104	105
Barclays 9¼pc 1982	101½	102½
CIE Nat Du Rhone 10pc '82	104½	105½
Du Pont 7½pc 1978	101	102
Esso 7½pc 1978	100½	101½
General Motors 8½pc 1976	100½	101½
Montreal 9¾pc 1981	101½	102½
Nippon Steel 9¼pc 1980	102½	103½
Norway 9pc 1980	103½	104½
Skand. Enskilda 10¼pc '81	105½	106½

CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	85½	87½
Ashland 5pc 1988	80	82
Beatrice Foods 4½pc 1992	94	96
Beatrice Foods 4½pc 1992	102	104
Borden 5pc 1992	94	96
Broadway Hale 4½pc 1987	75	77
Canon Camera 7½pc 1990	108	110
Carnation 4pc 1987	80	83
Chevron 5pc 1988	100	102
Dart 4½pc 1987	88	90
Eastman Kodak 4½pc 1988	117	119
Economic Labs. 4½pc 1987	81½	83½
Eidal 7½pc 1989	80	85
Fed. Dept. Stores 4½pc '85	127	129
Firestone 5pc 1988	92	94
Ford 6pc 1986	91	93
Ford 5pc 1988	80	82
General Electric 4¼pc 1987	87	89
Gillette 4¾pc 1987	78	80
Gould 5pc 1987	87	89
Gulf and Western 5pc 1988	94	96
Harris 5pc 1992	78	80
Honeywell 6pc 1986	82	84
ITT 4½pc 1987	71	73
Komatsu 7½pc 1990	106	107½
J. Ray McDermott 4¾pc '87	133	135
Mitsui 7½pc 1990	104	105½
J. P. Morgan 4½pc 1987	113½	115½
Nabisco 5½pc 1988	94	96
Owens Illinois 4½pc 1987	97	99
J. C. Penney 4½pc 1987	80	82
Pioneer 6½pc 1989	210	215
Rank 4½pc 1993	46	48
Revlon 4½pc 1987	99	101
Sperry Rand 4½pc 1987	97	99
Squibb 4½pc 1987	82	84
Texaco 4½pc 1988	74	76
Toshiba 6½pc 1990	102	103½
Union Carbide 4¾pc 1982	126	128
Warner Lambert 4½pc 1987	95	97
Warner Lambert 4½pc 1988	81½	83½
Xerox 5pc 1988	75½	77½

Source: White Weld Securities. Source: Kidder, Peabody Securities.

FINANCIAL TIMES SURVEY

Thursday February 19 1976

INVESTING IN COMMODITIES

[T]he [r]isks [a]nd [r]ewards

By John Edwards
[Com]modities Editor

[FO]R PRIMARY producers the [wor]st of the commodity price [rec]ession created by the world[-wid]e economic recession appears [to b]e over. But uncertainty [still] surrounds the expected [...]e "explosion" in the cost [of r]aw materials, so feared by [cons]umers in industrialised [coun]tries.

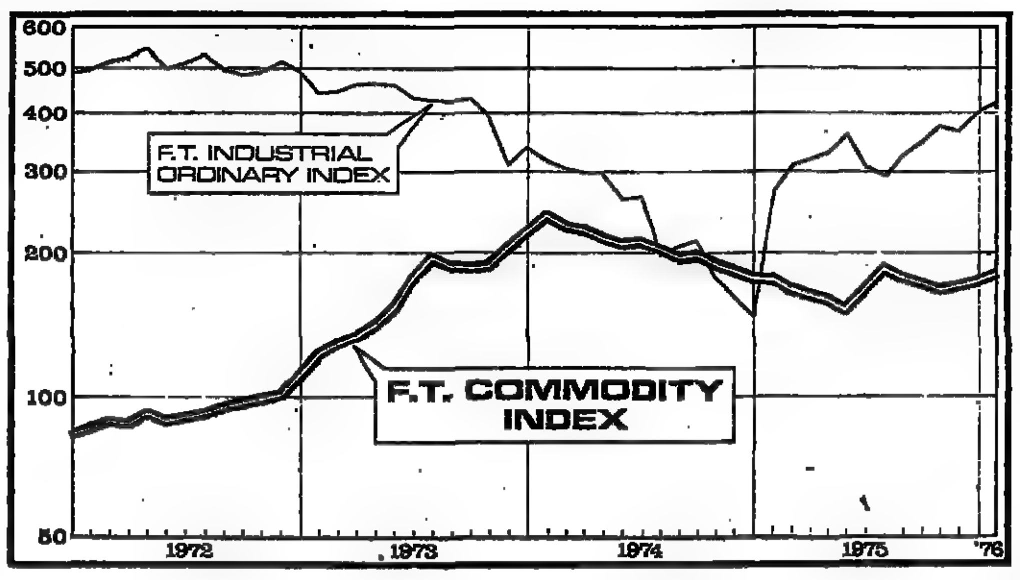
[Th]e theory is that the slump [in d]emand has kept commodity [pric]es artificially low in not [refle]cting the true rise in costs [caus]ed by inflation and fuelled [by th]e steep increase in the price [of oi]l. So, it is argued, once [dem]and does return to normal [raw] material prices will soar.

[It] is difficult to oppose this [argu]ment in the case of non[-rene]wable raw materials, especi[ally] metals, whose prices have [bee]n kept at or below the cost [of p]roduction and where no [prof]its are available to expand [futu]re supplies. But in many [case]s—foodstuffs in particular [—pr]ices have by no means been depressed or in any event [have] recovered in recent [mon]ths.

[Fo]r example, coffee and cocoa [price]s are at, or close to, record levels; grain values were given a considerable shot in the arm by the Russian crop disaster; and the world sugar price, although falling by some £200 a ton in the past 12 months, is still only uneconomic for high-cost producers.

For natural rubber and wool producers there are already encouraging signs of better demand bringing an end to the heavy stockpiling required and lifting prices to more reasonable levels. Natural rubber is now at the highest peak for some two years and wool values have also risen, although not as much as cotton.

The upward trend in prices generally, with the exception of oils and fats, during recent months is reflected in the progress of the FT Commodity Index. This opened 1975 at 133 (July 1952=100), fell close to 150 in June, rallied to 187—during the Russian grain boom—fell back again and is currently around 180, close to the level of a year ago. The all-time peak of the Commodity Index was nearly 242 reached in February 1974 during the "great boom."



Adjustment

The index reflects both sterling and dollar prices, so the fall in the value of the pound represents only some of the recent steadier trend. Nevertheless, it is fair to say that in real terms primary producers are on the whole falling well below the rate of inflation affecting their output costs and that some substantial adjustment will be required once demand returns to a more normal level. Various efforts are being made to try and bring greater stability to commodity prices on an international scale, and to avoid in future the producer developing countries suffering too badly during periods of surplus supplies.

The success of the oil producers' cartel in forcing up prices has encouraged other raw materials suppliers to take a more aggressive line, and industrialised countries to adopt a more conciliatory attitude. Even the U.S. professes to have changed its traditional hostility to commodity agreements. But little progress has been made in actually implementing the new economic order for commodities sought by the developing countries.

An ambitious scheme for an integrated programme for commodities including a multi-buffer stock to help stabilise the prices of ten "core" commodities, is being actively promoted by the United Nations Conference on Trade and Development (Unctad). Although providing an important new initiative, at the most propitious political time, there are definite signs of the plan failing to get off the ground in the face of strong opposition from the U.S. and other consuming countries.

Britain is backing efforts via the Commonwealth countries to bring consuming and producing countries closer together in seeking commodity price stabilisation, as an alternative to direct confrontation with possible producer cartels. But such far-reaching changes will evidently take a long time to evolve.

So far commodity producers have made little progress in formulating effective cartels, but this situation might well change if supply shortages develop as a result of improved demand and production setbacks. In any event the demands of primary producing countries for a bigger share of the world "cake" are becoming harder and harder to resist politically.

The outlook for all renewable commodities is naturally very much dependent on climatic conditions in the main producing areas, as well as the general economic situation affecting demand. Forecasting price trends is therefore fraught with danger. But it can be predicted with certainty that in the long run commodity values have to keep up with costs of production.

This is the basic reason why more investment money is being attracted into commodities from areas which previously would never have dreamed of "gambling" in such a way. Pension funds and big institutional investors have been forced, often at the behest of their clients, to look into the prospects for commodity investment and in many cases they have decided it worthwhile to set aside quite large sums, despite the lack of any guaranteed return.

One incentive to go into commodities is their protective role against currency changes. The London markets, reflecting the international situation, have to take into account, for example, the decline in the value of sterling.

Disillusionment with the failure of stocks and shares, and property, to keep pace with inflation is another powerful reason why investors have been turning to commodities as a means of trying to protect their funds in real terms. Historically, raw materials have reflected the effect of inflation on the cost of production, and buying during a low-price period is obviously safer with little chance of a major collapse and considerable upside potential.

During the past year "soft," that is, non-metal, commodities have provided more opportunities for speculators in the "paper" futures market, where deposits of around 10 per cent. of the total sum involved give the investment a high gearing, and ten times extra risk. While it is true commodity speculation is highly risky, since it is a basic gamble on a price movement in the speculator's favour that provides any profits, the more sophisticated trading methods, including options, can help to avoid the kind of enormous losses that have overtaken beginners to the markets especially in the past.

Off-shore

A new development too is the off-shore commodity unit trust funds dealing in the actual commodity markets themselves rather than in just commodity orientated companies as is the case with the U.K. based commodity unit trusts. The new funds are off-shore primarily because of existing U.K. legislation, introduced for rather different reasons, which forbids the advertising and promotion of commodity syndicates, even though these can and are operated on an unofficial basis by many dealers.

So far there have been conflicting reports on the progress of the new funds, but the really testing time will come when the next "boom" in commodities, especially in metals, develops.

But this could also bring problems. If there were indications that speculative activity was having too great an effect on commodity market prices, the Government would be under considerable pressure to take some restrictive measures because the cost of vital raw materials and foodstuffs essential to the well-being of the nation is at stake. At present it can be fairly claimed that speculation is to a large extent helping the basic function of the futures market in providing hedging facilities as an insurance against price fluctuations to companies dealing in the raw material involved.

Despite all the publicity given to speculative coups or disasters the bulk of dealings on the commodity markets in Britain at least still comes from the trade. It is only when speculators start to control a market that prices become artificially distorted and even this only lasts normally for a short time—unfortunately, however, the time usually most inconvenient to Governments.

A House of Lords special committee has been set up to investigate the problem of price instability for primary essential commodities. No doubt it will include the functioning of the London markets and take into account the activities so far of the newly-formed special Commodity Futures Trading Commission in the U.S., where speculative activity is a far greater problem.

Also to be borne in mind are the valuable invisible earnings from commodity trading in the City of London, estimated by the Bank of England to be worth over £100m. a year to the U.K. balance of payments. The re-opening of the Paris white sugar market, and plans for new commodity exchanges in Hong Kong and other places, suggest that any new restrictive regulations would have to be carefully framed to ensure that the London futures markets can continue to operate effectively and retain their influential position in international commodity trading.

The move to establish a world centre for commodity institutions in the City of London would play a valuable part in ensuring that Britain retains not only the invisible earnings but continues to be concerned with commodity price formation. Such information is likely to be of great importance in the years ahead as raw materials play an increasingly key role in industrial development.

INVESTING IN COMMODITIES II

Movements in the markets

By Our Commodities Staff

New contracts

A WORRYING feature of the London commodity markets has been the absence of any successful new futures contracts in the face of increasing competition from other centres. Cotton, fishmeal and the soyabean and palm oil markets all failed to attract sufficient interest to provide a viable contract, and there are virtually no new markets on the horizon, with the tea trade apparently losing interest in plans to start a futures market.

The most recent new market is the soyabean meal futures, which after an auspicious start appears to be struggling somewhat to achieve the kind of turnover likely to satisfy the hopes of its sponsors, the Grain and Feed Trade Association.

As one of the leading brokers on the market, SNW Commodities pointed out recently that the market did not really start at the best possible time in view of the generally dull trading conditions in the animal feed trade in Europe, and the adequacy of supplies leading to relatively stable price conditions. In these circumstances the incentive to use a futures market as a price insurance hedge is fairly limited, especially when the market has not yet established its role in the general pattern of trade.

Grain traders in Europe are generally somewhat conservative in their outlook and reluctant to learn about the value of futures markets unless they can see any immediate benefit. This is a problem the London-based barley and wheat markets have had to face since their inception some years ago.

At the same time problems with the soyabean meal market delivery are believed to have been created

been creating some difficulty for users, although this is now being resolved. Basically, however, the biggest problem the new market faces is to attract the kind of volume that can only be supplied by the large multinational shipping groups.

But as with other new markets, there is the vicious circle to be broken of sufficient volume being generated to enable the shippers to use the London market without distorting the price too much and ruining the hedge. At present this is not the case, so the big business tends to go to Chicago. Efforts are being made to try and stimulate a gradual build-up of trade business, but it will probably require a shortage situation to develop before the market can really get off the ground.

Stability

At present the outlook for soyabean meal is one of price stability, with heavy surplus stocks of soyabeans in the U.S., and Brazilian production increasing too. But a crop setback could soon change the picture radically.

Of the other recent new market, the newly established "open cry" rubber futures contract appears to have survived a long period of depressed prices and subdued trading activity fairly well. Rubber prices now appear to be on the way up again—having recently reached the highest levels for some two years—and it can be expected that the market will benefit from an increased volume of business. Moves by Malaysia to create an international stockpile, in addition to its domestic support purchases, appear to be moving very slowly and may well be dropped if the expected surge in demand materialises.

The new London greasy wool futures contract has not survived the period of depressed prices too well. Turnover has fallen to a very low level, and the European trade has shown very little interest in the hedging facilities offered.

This is mainly because the support buying policy by Australia and other wool-producing countries has resulted in a huge build-up of stocks which must eventually come back on to the market. So consumers have had little incentive to hold their own stocks and few worries about fluctuating prices. As with rubber there are signs that this situation may be changing, with more buying interest at the auctions from consumers already bringing a firmer tone.

It is felt consumers are now in a vulnerable position, holding very low stocks and relying on supplies held by producers, who might well decide to use the opportunity to engineer a big price rise. However, judging by past history the European trade appears to have lost interest in the London futures market as a hedging medium and, if anything, has turned to the flourishing Sydney futures market for price protection when required.

Metals

NOWHERE is the expected revival in industrial activity more eagerly awaited than in the metal markets. The continued lack of consumer demand has meant a long period of depressed prices, a build-up of surplus stocks and some savage production cutbacks by mines often operating at a loss. Investment in new mines has ground to a virtual standstill because of lack of money and lack of interest, despite the fact that the world will need ever increasing supplies of metals in the years ahead.

Copper probably provides the best illustration of the overall malaise that has hit the metal markets. Prices have moved in a relatively narrow range on the London Metal Exchange during the past year, despite the impact of inflation on production costs and the decline in the value of sterling that should be reflected in the interna LME price.

LME warehouse stocks soared to a record total of 520,000 tonnes, far away the previous peak of 1: tonnes in December 1972 a world scale surplus stoc copper are estimated to some 2m. tonnes. What is these stocks are expected on rising until 1978 as a of existing production e sion plans coming on stre

Feasible

With the present troub Africa hitting output exports by Zambia and severely, and other proc throughout the world c back output it is perhaps feasible to suggest an e date for a reduction in the to more reasonable levels. industrial recession has brought a cut in output of copper—an important pa the total supply. But the ing back of spare capacit production, and the use of bought in anticipation o plies becoming scarcer, s delay any real price exp until 1977 at least. That to say, however, that price not move up fairly substar this year if the present si an industrial recovery pr be true. No one expects copper prices at the end year as low as at the begi of the year.

Tin has been an e depressed market, req large support buying effo the buffer stock of the In tional Tin Agreement and export cutbacks to stop the falling through the "floo under the Agreement. Ho a substantial increase i stand-by credit funds av to the buffer stock, plu imposition of export contr a lengthy period, has l stabilise the market an real sign in recovery of d is likely to see an upsu values.

The producing country bers of the Tin Agreemer already made it very pla they will be pressing har rise in the present "floor level, which is considered quate in view of the esc in the costs of productio depressed price has addec production problems facing the major pr country, Malaysia, wher deposits are becoming l

CONTINUED ON NEXT PAGE

Cocoa and Coffee

FOR BOTH the cocoa and coffee markets 1975 was a year of two distinct halves. Cocoa values spent the first six months declining steadily and the second half climbing equally steadily. On the other hand the coffee price graph for the second half of 1975 looks very similar to that for the first half—except that it is some £300 a tonne higher.

A year ago there seemed little prospect of any sustained recovery in cocoa prices. Having started the year at the bottom of a £200 a tonne decline in only two months the market had staged a minor recovery in January. But by the end of February this had been virtually wiped out and, with consumption continuing to decline and estimates of the 1974/75 season surplus climbing, prices looked set to plumb new lows. In the event by the middle of June the second position price on the London terminal market had sunk below £450 a tonne—some £260 down in six months.

From this point onwards, however, the picture changed dramatically. Signs of a turnround in the consumption trend coupled with expectations of a much more balanced supply/demand situation brought the buyers back into the market with a vengeance and by the beginning of this year the second position price was climbing towards the £750 a tonne mark. The first month of 1975 provided a mirror image of January 1974 with prices slipping back in reaction to the steep rise but recovering all the lost ground by the beginning of February. Though prices have eased a little this month concern over West African crop prospects—which had earlier looked very promising—has ensured a steady undertone for the market.

Suddenly

Coffee prices did not emulate the dramatic first half fall of cocoa, and with prices beginning the year at only £460 a tonne they could hardly afford to. Producer talks on finding a joint policy for boosting coffee prices began in February but by the end of April the second position was below £400 a tonne. Labour troubles in the port of Luanda—threatening Angola's ability to ship out its coffee—boosted the market a little in June but it was in the following month that the face of the coffee market suddenly changed.

A few nights of frost in mid-July in Brazil's coffee growing regions accomplished what no amount of producer market management could have hoped to—but at a cost that would have been considered prohibitive in any case. During the days following the frost, as the world's coffee traders and consumers realised that Brazil could now be virtually written off as a major supplier during the 1976-77 season, prices soared to undreamed-off levels. In London the second position on the Robusta terminal market rocketed by 62 per cent. to a peak of £855 a tonne in the course of a few days.

Prices soon eased back from this level but second position Robustas have only fallen below the £700 a tonne mark in London on occasions since then. The downward adjustment following the initial rise was to be expected considering the sharp (and perhaps long-term) effect on coffee consumption which was threatened by such an astronomical rise in prices. Instant coffee production is 80 per cent. raw material intensive, which means that a 62 per cent. rise in green coffee prices would result in a 50 per cent. increase in retail prices. An alarming prospect, especially as coffee consumption was already declining.

The fate of the Brazilian crop naturally enhanced the fundamental importance of the coffee crop in Colombia—the world's second largest producer. It was not surprising, therefore, that reports in December that widespread flooding may have cost that country as much as 30 per cent. of its forecast 8.5m. bag crop had a sharp effect on futures prices. The damage figure was later reduced to 20 per cent. but the newly-established upward trend had by then been taken up by the speculators with a vengeance and further waves of buying in the new year took the second position price above the July peak in mid-January.

The reaction following this rise was fairly shortlived and prices were already testing new peak levels when yet another natural disaster hit the market. This was the Guatemalan earthquake. Though Guatemala is not a major coffee producer—its normal production is around 2m. bags—the already delicate world supply/demand balance meant that the disruption to shipments (the crop had already been gathered so was not threatened by actual damage) could not be taken lightly and in the days that followed May Coffee soared to £900 a tonne at one stage, before a minor reaction set in.

Compromise

New international agreements for both cocoa and coffee were signed late in 1974. Both were the result of long and difficult negotiations and contained a large degree of compromise.

The first to be agreed was the International Cocoa Agreement (ICCA). Though the pact was ratified without much trouble there was considerable disappointment that the U.S. was not among the signatories—despite Dr. Kissinger's declared intentions of greater support from commodity agreements. On the producer side the only major dissident was the Ivory coast, which has also maintained its position.

Nevertheless the new arrangements, consisting of export quotas and buffer stock activities, are considered a considerable improvement on the old ones, which were soon overtaken by the rise in prices. The target price range was widened to 16 cents (from 9 cents) around a mid-point of 47 cents a lb, a big increase on the 27.5 cents mid-point of the 1972 pact but well short of the producers' original demand for 58 cents.

If anything the coffee pact negotiations were even more difficult — they were certainly more protracted. The producer-consumer contact group which was delegated to thrash out a draft agreement for consideration by the International Coffee Council had to burn the midnight oil repeatedly before even preliminary agreement could be reached.

Apart from an inter-produce squabble about arrangements for setting individual quota levels the main difficulty facing the group was a U.S. demand that failure by a producer to declare under-shipments against its quota in advance should be punished by a reduced quota in the subsequent year. In the end, however, the U.S. was forced to drop this demand in favour of an arrangement whereby such declaration would be rewarded by a bigger share of re-alloted quotas from declared under-shipments by other producers in following years. The producers claimed that this system provided an equal incentive to declare under-shipments as the U.S. plan. The Agreement is scheduled to come into operation this October.

INVESTING IN COMMODITIES III

Grains

E PAST year has been an ...ntful one in the grain ...ckets. Until last summer it ...med very likely that a big ...plus of supplies was building ...as a result of anticipated ...oper harvests in the U.S. ...bumper crops duly arrived ...r in the year, but by that ...e the situation had changed ...ally and there was more ...ry about a world shortage ...eloping.

...be big change-round, of ...rse, was caused by the dis...ous shortfall in the Soviet ...on grain crop, which at ...n. tons was some 75m. tons ...w the optimistic target set ...the Government. The result ...the biggest ever grain buy...spree by a single country ...the Russian purchases far ...eding the previous large ...y into the world markets ...ng the notorious grain boom ...972.

...this occasion, although ...purchases were much ...ter in quantity they had ...h less effect on prices. This ...because it was only the ...lans, among the main grain ...ucers, who suffered a major ...ck. Other important areas, ...h required large imports in ...too like India and China, ...good crops and abundant ...supplies kept the pressure ...rain import requirements.

...nited

...though the EEC harvest ...disappointing, there was a ...dent surplus carry-over ...the previous season to ...imports limited at a time ...the reduced livestock ...had already reduced de...l both in Europe and the

...ssia too has cut back its ...tock population because of ...hortfall in feedgrain sup...available. But the Soviet ...n is still expected to ...ire massive imports in the ...ahead to rebuild stocks to ...nable levels, even if the ...sts improve.

...e five-year deal signed ...een the Soviet Union and ...U.S., coming into effect ...October this year, should ...stabilise the world market ...ture years to some extent, ...ging Russia into a regular ...rter instead of an ...ional unpredictable buyer. ...the Soviet Union is ex...d to require a great deal ...grain before the deal ...into effect—only trans...limitations and port ...tions are believed to have ...d purchases to the present ...and extra transport and ...e facilities are built up ...in Russia and in outside ...ries, including Western ...e for transhipment to ...a.

...the same time the Russian ...uses have ended, probably ...veral years at least, hopes ...uilding world grain stocks ...re reasonable levels as a ...ction against any major ...etback that could renew ...treat of world starvation. ...s to create a grain world reserve are tending now to flounder in a welter of difficulties with the U.S. being reluctant to shoulder the whole financial burden. Attempts to renegotiate a new international wheat agreement are also proving difficult with the U.S. opposed to any pact regulating specified price levels.

The latest crop news is none too encouraging. Planting conditions have been unsuitable in many parts of the Soviet Union, mainly as a result of droughts, and this bodes badly for the forthcoming harvest unless there is a dramatic improvement. In the U.S. too the winter wheat sowings, which provide the bulk of the total wheat crop, have suffered poor weather conditions and the latest estimate is that production may well be over 9 per cent. below last year's peak level despite a small rise in plantings. It is hoped that some of this shortfall will be offset by increased spring wheat plantings, and U.S. farmers have also indicated their intention of planting a record acreage of maize.

Plantings

If conditions improve, these extra plantings could bring another record maize crop and only a slightly reduced total wheat crop. But much depends on whether U.S. farmers stick by their intentions to raise plantings and also the eventual yields, which are governed by weather conditions in the months ahead.

In Britain, and the EEC generally, conditions were almost ideal for winter wheat plantings encouraging a record acreage in the U.K. Now it is up to the weather but certainly the start has been generally promising. Nevertheless the world as a whole is still generally at risk against any serious setback in a major grain growing area. Of prime importance is the U.S., as the main grain exporter to the rest of the world. A shortfall there could have serious consequences and bring much higher prices, especially if it coincides with the expected industrial recovery that would stimulate demand for the many grain-based products that are staple foods.

Sugar

SANITY returned to the world sugar market in 1975 after the tremendous price rises to absurdly high levels of the previous year. Prices moved quickly downwards as the shortage of supplies available to the world market eased and buyers showed increasing disinterest. Starting the year at over £470 a ton, London daily raw sugar plumbed a low of £128 in the summer before rallying in recent months to between £150 and £160 a ton—a level significantly very much in line with the price paid to EEC beet growers.

Although the EEC beet crop suffered another year of bad weather conditions which reduced yields well below average, increased plantings meant at least some rise in overall production. With consumption, especially in Britain, hit by the shortages and high prices of 1974, the EEC had surplus sugar to spare again and resumed its role as a world exporter, although on a much more reduced scale than had generally been expected.

Suffered

The Soviet Union, and Eastern Europe, suffered equally disappointing beet crops. But so far the Soviet Union has managed to hold off buying large extra quantities on the world market—one of the prime causes of the 1974 world sugar shortage. It appears Cuba has managed to make up at least some of the extra supplies required by Russia and the Comecon countries, who usually rely on the Soviet Union for some of their requirements.

Elsewhere in the world crops have been generally good, with no major disasters, although the Brazilian crop was disappointing. However, some other countries, like India, produced bumper crops which proved somewhat difficult to dispose of in a somewhat disinterested world market.

Historically sugar has been considered to be fairly demand inelastic, but the shocks of 1974 and the radical changes in traditional supply arrangements, such as the Commonwealth Sugar Agreement and U.S. Sugar Act, had more impact on consumption than generally anticipated. In the U.K. there was a very sharp cutback in apparent demand, as a result of the much higher prices and previous hoarding during the period of acute scarcity. As Mr. Norman Castle, chairman of the S and W Berisford group put it in his annual statement, the position changed overnight from one of shortage to oversupply and it has taken some time for more normal delivery levels to be restored.

In the U.S. there was also a severe drop in demand. Much increased competition from high fructose syrups, made from maize and therefore a natural product not subject to the criticism against synthetics substitutes, made big inroads into the U.S. market. At the same time U.S. refiners are still in the difficult transitional stage of adjusting themselves to being part of the free world market after a long period of operating within the confines of the U.S. Sugar Act. The U.S. is now a much more crucial influence in the world market accounting for between 4m. to 5m. tons out of the total traded of between 16m. to 17m. tones.

So the downturn in U.S. demand, and restraint of the worldwide economic recession on the buying power of other countries, meant that sugar supplies generally remained more than adequate despite the comparative failure of the European beet crops. Some cane producing countries are believed to have agreed amongst themselves to hold surplus supplies off the market as long as possible, presumably in the hope that substantial purchases by the Soviet Union would lift values to a higher level and enable more profitable sales to be made.

But pressure is now building up to dispose of these surplus stocks, with the Soviet Union showing no signs of buying yet. U.S. buyers still relatively disinterested, and the EEC stepping up its subsidised exports. It seems likely, therefore, that sugar prices will be under some pressure in the months ahead, unless the Soviet Union is forced to purchase large quantities. In the longer term much will depend on the recovery in the world economy and the ability of developing countries to be able to afford to buy more sugar.

Potential

Demand for sugar in the developed countries appears to have little potential for growth, and indeed will probably have to fight hard even to keep up present levels of consumption, especially with increasing competition from substitute maize-based sweeteners. But there is plenty of potential growth in the developing countries for sugar consumption.

Apart from the general rise in population in these areas, sugar is very much linked with the improvement in the standard of living so ardently sought by the developing world. Future demand for sugar is as a result dependent largely on how the developing countries fare in the battle to gain a greater share of the world resources and the ability to pay for extra sugar supplies.

There is also a general move by countries to increase their domestic production of sugar. It reduces dependence on imports and provides a high proportion of employment. However the creation and installation of sugar plants is capital intensive requiring increasingly large sums of money, which may be difficult to find. Costs have escalated in an alarming manner in recent years, and put several traditional sugar producing areas, notably the Caribbean, under great pressure. It is hoped that the Lomé Convention between the EEC and the African, Caribbean and Pacific sugar producing countries will provide some protection and incentive, with returns linked firmly to the EEC beet price as a minimum for an assured supply outlet.

But although present price levels are not disastrously low,

CONTINUED ON NEXT PAGE

Metals

CONTINUED FROM PREVIOUS PAGE

...ingly hard to find and much more expensive to operate. Political threats surround the countries in the Far East providing the bulk of the world's tin, and the U.S. stockpile of surplus tin has been drastically reduced, with future sales likely to be heavily restricted.

Lead producers are believed to have come back into the LME market recently in an attempt to support prices again, after a long period when they were forced to give up as a result of the expense and the surplus stocks build-up. The main problem from the primary producers' point of view was the inflow of scrap lead, which accounts for a large proportion of the total supply. But as with copper the industrial recession is now having a somewhat delayed impact on scrap supplies, so the producers may now feel safer in any efforts to try to re-establish control over the market.

However, LME warehouse stocks of lead remain at peak levels and demand is far from good yet. So the producers may find a sustained support buying campaign difficult to maintain.

On the zinc market, producers have managed to retain some semblance of control although the LME values are at a considerable discount to the official European producers price at which the bulk of zinc is sold to consumers under long-term supply contracts. In October the producer price was raised for the first time in a year from £360 to £390 a tonne and the higher price level was subsequently switched from a sterling basis to a dollar quotation of $795 a tonne. This means that in future when a normal supply - demand balance is achieved sterling prices, including those on the LME, will reflect to a greater extent the variations in the parity rates between the £ and the dollar.

Surplus

Obviously the producers' intention is to bring the LME market up back into line with the European price, but this may take some time yet in view of the surplus of supplies still available despite cutbacks of some 40 per cent. in production. Demand for zinc has taken much longer than generally anticipated to recover.

In the precious metals sector, demand for platinum is proving to be much slower in recovering than expected. The producers put up prices earlier this year, after a series of reductions, anticipating a revival in buying interest during the fourth quarter of the year. But the price was reduced again when the extra demand failed to materialise, and the outlook is still far from certain according to the chairman of Rustenburg Platinum recently.

Western world producers fear that platinum sales by the Soviet Union may be maintained at a higher level than normal as a result of the Russians requiring more foreign exchange to pay for their massive grain purchases. With the price of gold tending to move lower, and the market in no shape to absorb large extra sales from the Soviet Union, the Russians are likely to fall back on revenue from platinum to a greater extent. It is likely, therefore, to take a considerable boost to demand as a result of generally increased industrial activity before the price of platinum can move up again properly.

Meanwhile, speculators who bought platinum at higher levels in the belief that it was a safe "hedge" against inflation have become somewhat disillusioned and been tempted to sell out. But of all the metals platinum is probably the easiest for the speculator to acquire and hold for a long-term investment since only a small-size holding involves quite large sums in view of its high price per troy ounce.

Behaviour

Apart from gold, which cannot yet be bought directly by U.K. investors, the other favourite metal with speculators is silver. How much of a favourite it has been in the past year depends on individual circumstances, however, since its price behaviour has been extremely unpredictable. The London spot quotation on the bullion market has ranged between a high of 248p an ounce to a low of 167p. This movement has been achieved at a time when industrial demand for silver has generally been very depressed in line with other metals, and its traditional ties with gold have been further loosened by the start of several gold futures in the U.S. allowing investors there to put their money into the "real thing" rather than using silver as a substitute for gold.

In fact silver prices have tended in recent months to reflect much more the movements in the Chicago grain markets. The official explanation of this is that if grain prices go up this will refuel inflation generally and silver will then become more attractive as a hedge against inflation. Cynics in London, however, view the links more as further evidence that silver prices tend to fluctuate according to the mood of U.S. speculators, especially those in Chicago, who have sufficient funds at their disposal to distort the fundamental position of supply and demand for a time at least.

Taking a portfolio stake

INVESTMENT managers have until quite recently tended to shy away from the very idea of investing in commodities, partly because most had no inhouse expertise to deal in commodities and partly because institutional funds are as a rule debarred from this category of investment. Certainly this is the case with unit trusts and life assurance companies and consequently physical commodities were largely regarded as high risk areas best confined to the professionals in the commodity markets.

This attitude still persists in many quarters and more than one institution with large equity funds has told me recently that it believes in sticking to its last and fears that there could be an unwelcome backwash of publicity if the new style offshore commodity funds now being launched failed to come up to the mark.

But there does appear to be widespread investor interest in the possibility of investing in commodites and a number of well-known names have been attracted into the field—including Save and Prosper and N. M. Rothschild via Old Court Commodity Fund Managers. In particular the demand seems to have come from stockbrokers who wanted a commodity vehicle for part of their clients' money and needed a reputable fund management institution to run it.

These new funds—still only a handful—are not organised along quite the same lines as unit trusts. Where the latter are concerned it is possible for the investor to go into a commodity based fund (Ebor Commodity is probably the best known), but he will not be actually investing in commodities. These trusts invest in the shares of the companies which either trade in commodities or stand to make money out of producing the raw materials. Even this form of indirect investment in commodities was considered to be on the fringe of respectable investment practice when the Ebor Commodity Fund was first launched.

Growth

But the investment world has changed a lot over the past decade and whereas some of the former U.K. blue chip industrial stocks have since become risky high-yielders, many of high risk commodity stocks like plantation companies are now in the ranks of the low-yielders. Accordingly, commodity funds are no longer sold for their income prospects but for growth. The latter has been more than a little erratic over the years but overall most of the commodity-orientated unit trusts can show worthwhile growth records—and of course it is usually the case that commodity shares rise in advance of any increase in the value of the commodities themselves.

Examples of commodity funds results may be found in the January issue of the magazine Money Management. Among the "best results" over eight years, it appears that £1,000 invested in Ebor Commodity at the beginning of the period would have been worth £2,401 by the end of 1975.

But investing in commodities is not the same as investing in commodity shares and, as anyone who followed the Rowntree saga knows, it is possible to both make and lose a lot of money in commodity futures. This is where the high risk comes in and the average investor does not have the necessary expertise to make judgments in the commodity field or the necessary money to get a broad spread of risk.

So this is where the offshore commodity funds have come on the scene, using either Jersey or the Isle of Man as bases for the operations. One does not really need to know the technicalities of how these funds are set up—suffice it to say that they are run along "open-end" unit trust lines, can sell and buy back their shares and mostly have trustees.

The latter tend to be the offshore subsidiaries of the U.K. clearing banks, but one should beware of placing too much value on the mere fact of a fund's having a trustee—the latter's role in the case of commodity funds is more that of a custodian than a watchdog. It would also be wrong to place too much emphasis on the dangers of being outside the Department of Trade's control—Jersey and the Isle of Man have tightened up their own regulations considerably in recent years and are not at all anxious to licence the operations of the less reputable.

The question which the commodity fund operators have to ask themselves of course is the extent to which they intend to range over the whole spectrum of possibilities in physical and futures trading. Theoretically one can make money in commodities under any circumstances—*just as much when* they are going down as going up—and active traders have a tendency to say that they can make even more when things are on the downward trend. But fund managers are naturally cautious because they want to stay in business for years with steady progress rather than swinging from boom to bust situations. Therefore all the funds circumscribe their activities to a certain extent and it is the degree which counts.

The simplest of the funds which are open to the public is Surinvest Copper Trust which will only invest in copper, will always be fully invested and undertake no gearing through futures and options. What this amounts to is really just a way of letting the small investor with £500 upwards invest some money in the metal which always attracts most interest when a commodity boom is thought to be on the way. On this basis it has a useful function but the investor must make his decision about when to get in or out.

Proviso

This is the safe and sound method of providing a commodity-based fund but it tends *not to win approval from commodity* experts who reckon that the markets are there to be dealt in. This is the case with the managers of the Commodities and Options fund, Commodity Analysis—the offshoot of the chart firm Chart Analysis. This fund rules out no particular type of transaction, only with the proviso that 30-50 per cent. of the trust's assets will be kept on deposit.

Between the extremes there are the Save and Prosper (Jersey) Commodity Fund and the Old Court Commodity Fund. The former's investment policy allows it to invest in a broad spread of commodities and the managers may also buy futures provided that not less than two-thirds of the total cost of the contract is kept on deposit. Uncovered forward sales — offering the biggest hazard for losing money will not be made. There are also restrictions on the use which may be made of put and call *options*.

Similarly the Rothschild Old Court Fund restricts its use of the more sophisticated commodity tools but has another string to its bow. Initially about 45 per cent. of the assets are to be deployed in actual commodities while a comparable proportion will be in commodity shares. This is to ensure capital appreciation from commodities combined with a reasonable yield — thus making the fund a compromise between a commodity fund and a commodity unit trust.

One may expect more of these funds in the future but they are unlikely to ever become as popular as straightforward unit trusts which invest in equities. The reason for this is simple. Because commodity funds are unauthorised by the DOT, they are forbidden to promote them openly and in any case prefer to keep it that way.

Christopher Hill

Sugar

CONTINUED FROM PREVIOUS PAGE

they do not provide the incentive needed to become involved in the very high costs projects needed to develop future supplies. World stocks are still at a relatively low level, despite buyers holding off, and it would only need the intervention of Russia as a large buyer or a crop disaster in a major cane producing country for world sugar prices to take off again.

Conversely, it seems unlikely that the EEC, the rest of Europe and the Soviet Union will suffer from three years of bad crops in succession. Even an average yield would mean some extra 2m. tons becoming available from the EEC alone, and there is every sign that sugar beet growers are prepared to retain or increase plantings for the 1976 crop.

In Britain, for example, the British Sugar Corporation announced recently acceptance of offers to plant what will be a record acreage of 510,000 acres. This is an encouraging step towards the plan to expand U.K. domestic output to well over 1m. tons. In contrast steps are now being taken to try to reduce the surplus cane refining capacity in Britain from its present level of nearly 2m. to 1.3m. tons in line wit supply of raw cane sugar mitted under the Lome vention. Even so cane re are going to find compe against the expanding industry difficult in view c premium price paid for th material, and moves by EEC Commission on re margins could be crucial.

Meanwhile, the past yea seen the start of a new version" contract for sugar linked to the succ raw sugar futures market. Paris white sugar marke also re-opened after a le period of recrimination an pute. Many dealers discou *chances of Paris being a* live down the forced clos the previous market an inability to resolve the ences quickly and amiabl is felt Paris will never a its previous turnover, but big European beet crop year may help both Pari the so far disappointing L conversion market to b much *more* active. The crop this year meant ther little need for hedging covering of export sales, vided by the futures mark

However, there could very different situation w bumper beet crop this Although the London c sions market is complica is felt there is a need for normal times, and it does broaden the scope of th sugar market, with its limited tendering possib at present. The next year well provide more activi round, with supply and de finely balanced.

Methods of dealing

THE FIRST thing that most amateur speculators in the commodity markets will learn is that the commodity markets are unpredictable. A seemingly watertight case can be made for a "bull" trend in some market or other only for a recession in consumption or unexpected increase in production to come along and ruin all calculations. A prediction of falling prices is even more vulnerable to unpredictable factors as a major crop or producing capacity can be wiped out virtually "at a stroke" by some natural disaster or civil disturbance. Anyone maintaining a "bear" position in coffee prior to the Brazilian frost of last July will be only too willing to confirm this.

The reluctance of speculators to operate a "bear" position is easy to understand as the risks are obviously more extreme. It is not unheard of for a commodity to double in value in the short-term but virtually inconceivable for one ever to lose all its value. Since the cost of a "bear" holding which doubles is the same as that of a 'bull' holding which falls to zero the "bear" holding must be far less attractive.

It must also be remembered that once a "bull" holding had hit zero there would be nothing more to lose, whereas once a "bear" holding had doubled in value there would be nothing to stop the price advancing further and further losses being incurred. In fact the maintaining of a "bear" position implies a theoretically unlimited risk.

A third investment prospect, however, which involves less risk than either of the possibilities so far discussed is the commodity option.

By buying an option—a "put" or "call" depending on whether the holder expects the market to fall or to rise—at a fixed premium, an investor can back his opinion at a strictly limited risk. Though his profit (assuming there is one) will never be as high as it might have been with a straight transaction his risk is tiny by comparison.

Entitled

A "call" option holder is entitled to buy the commodity in question at any time up to the declaration date at the "striking price" which is fixed when the option is purchased. If the market moves downwards he only loses the price of the option or "premium." The same works in reverse for a "put" option, which entitles the holder to sell the commodity at the striking price.

A "double option" entitles the holder to buy or sell (but not both) at the striking price but costs twice as much as a straight option.

The seller or "granter" of an option will usually be a producer of the commodity in question, but brokers may write options and there is nothing to stop private speculators writing them on their own account.

Clearly a private speculator would be taking an enormous risk if he granted an option without having anything—warehouse holdings, futures position or even another option — with which to cover it. But the granting of options can be used as a useful investment tool for the investor.

If a speculator buys cash copper, say, at £550 a tonne as an investment and grants an equivalent three-month option at a striking price of £570 with a premium of £30 he can look forward to a profit of £50 a tonne provided the price rises above £570 (the £30 premium plus the difference between the striking price of the option and the buying price of the cash metal). He cannot make more than this as for every extra £1 he makes on his futures contract he loses £1 on the option. On the other hand he does not start losing money until the price falls below £520 (the futures price minus the option premium) while the loss resulting from any further fall would always be £30 less than it would otherwise have been.

Option dealings are naturally *far more popular in volatile* markets than in relatively quiet markets and this fact is reflected in the cost of option premiums.

In general the metals markets have been fairly inactive recently and interest in options has been proportionately subdued. There has been some interest in copper, however. Trade has also been fairly slow in sugar options but interest in coffee, silver, cocoa and rubber options has been lively. Of these the star performer has obviously been coffee—easily the most volatile market. The effect on the level of option premiums has been pronounced. Before the Brazil frost in July which transformed the coffee r from a state of ex depression to one of con excitement the premium six to eight month option have been around £30 a At present a similar would cost about £95 a The interest in rubber c is generally attributed mildly "bullish" trend c with the low cost of op around 4.5p a kilo for 18 —and the delicate politic ation in the East.

Another way for the i to opt for limited ris limited profits is the " or "straddle" operation. involves him in speculat prospective changes in d tials on various futures p rather than on moveme the prices themselves.

If he thinks the premi May delivery sugar ove is likely to narrow he w May and buy July. It no not matter how the ind *prices move—as long as t* ferential narrows he m profit. If May rises £10 and July rises £15 he w £10 on May but make July, leaving a net profi a ton. Conversely if Ma £25 and July falls £20 h £25 on May, loses £20 o and still makes £5 a t course if the differ widen he loses money ever way prices move.

This strategy offers rel small profit potential in r to the capital employed l size of the potential l equally restricted.

Richard Mo

BOOKS

Beast vatching

' C. P. SNOW

traits in the Wild: Animal ehaviour in East Africa. y Cynthia Moss. Hamish iamilton. £5.95, 363 pages

: is hard not to envy the ple who have made a profes- ı of animal-watching in ica. It must be one of the agreeable of lives. It is ut as free from angst as a pro- ional life is likely to be. It is interesting, and without bt scientifically the only way o the job. You can obtain real rmation about animal viour only by watching them ive — watching in detail ently, identifying individual nals, following what in our ropomorphic fashion we to call their social relations. this is a new departure, ly a generation old, in rvational zoology. Lucky Goodall and Iain and Oria glas-Hamilton, lucky all the s, including nowadays M.Sc. ents from Nairobi Uni- ty.

nthia Moss has produced an nt of the whole enterprise, ctive, authoritative, and didly illustrated. She is her- carrying out a major study lephant society, but, though s addicted to those amiable als, she is well informed : giraffes, rhinoceroses, s, antelopes, baboons, the cats (lions, cheetahs, rds), and hyenas, the nant mammals of East a.

identally, when white men ated from the country, old hands were gloomily pre- g that this majestic fauna l soon be annihilated. Pro- ood was scarce, the Africans l rapidly eat up the animals. ct, the enormous natural have been preserved with ed care. There is some ing, just as there is any- , but no species appears to dangered, and a good many s are increasing their popu- at a mildly embarrassing If there were a competitive nation for African animals er Serengeti or any of the Tanzanian or Kenyan es, it would be swamped applications. By contrast, e instances it is the human who may suffer from l conservation as in the of the Ik.

re are some diverting sur- in Cynthia Moss's nts. A certain wave of nism is developing from sults of these field obser- s. Some animals are ac- g a better reputation, some are losing theirs. Enthusiasts are exhorting us in favour of their favourite beasts rather like the supporters of Richard III, though presumably with more serious justification. Hyenas, for instance. Good hyenas, nowadays, not bad hyenas. Brave, intelligent, resourceful hyenas. The females are larger, stronger, altogether the bosses of the group, the greatest exemplars for women's lib.

Miss Moss cites the researches of Hans Kruuk into hyenas. Dr. Kruuk points out that the hyena, as a social carnivore with a system of group territoriality, may come closer to early man in social structure than any of the monkeys and apes. Hyenas are hunters rather than scavengers.

Next week—Business Books

Most efficient hunters, who kill a much higher proportion of their food than lions. It is lions who do more of the scavenging. It is clearly time that the term "fascist hyena" was swept out of use. There is no evidence whatever that hyenas have reactionary opinions.

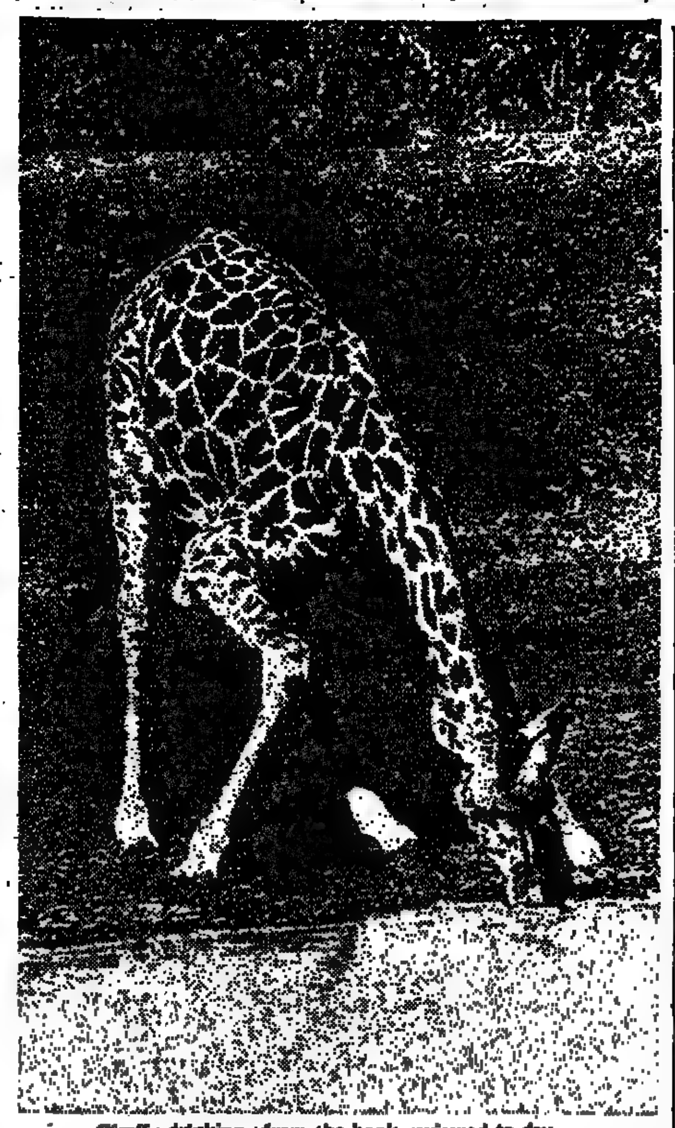
Correspondingly, on the animal stock exchange the value of lions is going down. They are abnormally lazy, even for big cats. Like nearly all large carnivores, they spend most of their time asleep (compare domestic cats, who at least had the species-ingenuity to discover other sizeable animals who are ready to provide them with food). Female lions do all the hunting, and are skilful at it. Male lions do nothing except reproduce their kind and look impressive in the second role frightening off other predators. Female lions are not particularly maternal, and appear to find it more desirable that they should eat rather than tend their young.

Lions in trees are a pretty sight which I have seen myself, taking a morning off in Manyara. They can climb quite well, but haven't the initiative to discover the food which leopards, who all climb, store away in trees.

Carnivores sleep away the days when they are not catching their meals. Herbivores have to eat almost continuously, and haven't much time to sleep. Elephants are the unassailable chief animals in Africa wherever they happen to plod: but their life is one unending meal, and they are now known to sleep only two or three hours a night. This is also substantially true of rhinos and all the vegetable-eating creatures.

It raises the thought that early man was fortunate either to start as a carnivore or to become one. That may have been the only method which gave enough time free from eating for our ancestors to indulge in other activities and to have become effectively aggressive, as of course early man must have been. Some baboon clans, by the way, seem to be taking to meat-eating, with many indications of enjoyment.

This is a fascinating book, specially recommended to anyone who wants some relief from the human race. One singular observation is that male giraffes, apart from the call of duty in perpetuating their species, appear to be homosexual, which is remarkably odd, even for that odd animal.



Giraffe drinking—from the book reviewed to-day

Fiction

Claws

BY MARTIN SEYMOUR-SMITH

The Cat Lover by Wendy Owen. Peter Owen, £3.25. 128 pages

The Drums of Kufu by Japhet Delft. Quartet, £3.50. 211 pages

Living Quarters by Vincent Canby. André Deutsch, £3.50. 227 pages

With a few exceptions, the best British "new novelists" are women: Maureen Duffy, Beryl Bainbridge and Emma Tennant are examples that come immediately to mind. They are looking at life from an entirely new angle—puzzling us but at the same time fascinating us. I leave aside the question—a delicate one—of the possible sociological implications of this phenomenon.

Wendy Owen, who is not a prolific writer, comes into this category. She has written two quite widely acclaimed novels, *There Goes Davey Cohen* and the sinister-comic *Whatever Happened to Ruby?* Her third book, *The Cat Lover*, is a collection of short stories—and one of the best to come out of the Seventies. She is extraordinarily original: so original as to rob, once and for all, the adjective "feline" of its pejorative connotations. She is as unusual as the (alas now dead) American writer Jane Bowles, who ought to be better known in this country than she is. (She was the wife of the better known Paul Bowles, struggled with excruciating health, and wrote exactly as she felt and saw.) There are also certain affinities with Patricia Highsmith; but Wendy Owen is less obviously professional—which is not to say that she does not possess a fine technique.

The title story (it would be a crime to give away its plot) is a near perfect exercise in the macabre-occult: "The Gentle Man" is a model of how to express compassion without making it obtrusive; "Sesame," once more about cats, is a beautifully observed study in madness. Wendy Owen makes it look so easy; but the observant reader will soon discern, with pleasure, that intensive work has gone into this slim volume.

The author has gone to enormous pains to express herself in a coherent manner—so much so that her lucidity is at times beautiful. But she is by no means a traditional writer. Many a consciously "experimental" novelist could learn from her acute awareness of the difference between the French (if only because most experimental writers are at present attempting to imitate practioners of the *nouveau roman*) and the English language. The price of this volume is steep; but I nonetheless recommend it not only for its high artistic quality but also for its sheer readability (if that is a dirty word amongst some extremist critics, it isn't amongst most intelligent readers).

"Most people know very little about Kufu." There are, in fact, only two books about it. Neither, according to Japhet Delft (the pseudonym of an architect who counts his highest achievement as "the design of a Parliament house for a shortlived African democracy"), is very good. There is the American Lansing P. Hopper's *How I Shot the Last Oryx* (by "the most unobservant traveller who has ever chatted in print") and the unfinished, eleven-volume, *Socio-Economic History of the Capitalist Exploitation of North Central Africa* by the Marxist Dr. de Dierkemeester.

Japhet Delft has taken as the framework for this witty and irreverent novel a thriller plot. McCoy's civil airliner lands, against airport orders, in Kufu at a time when the Russians are attempting to engineer a coup. The technical details of the "thriller" component of the book are well done; the others are feebly described. But this is hardly the point of the story, which is a rich parody—by a man who obviously loves and understands and grieves for Africa—of the manner in which the subject is usually treated, and not only by writers of thrillers. The rulers the Russians, the CIA: all get it in the neck. But not the people. A most accomplished and intelligent first novel.

Vincent Canby is the film critic of the New York Times, and the heroine of *Living Quarters*, Daisanna du Chadrun, might just possibly have been conceived with some film star in mind. She is an "impossible" person with a peculiarly fascinating charm. But the blurb's comparison of her with Lady Caroline Lamb doesn't make her seem more credible. Still, why when her life with Charles in tropical St. Constant seemed so harmonious should she be found walking demurely to the police station "while Charles lay naked on the terrace with a hole in the left side of his chest and stomach"? I must confess that a certain element in my attention was held. This is one for those who undertake the now desperately long journey between Victoria and Battersea Park, from which their train to commuter land "will, it is regretted, commence."

Tessa Musgrave

Wendy Owen: fastidiously feline

Trying times for Britons

BY ZARA STEINER

Britain in the Nineteen Twenties by Noreen Branson. Weidenfeld and Nicolson. £6.95, 274 pages

Neither Eric Hobsbawm, the general editor of this series, nor Mrs. Branson make any attempt to define what a study of British society should encompass. The field of social history tends to reflect the interests of its practitioners. As is clear in this volume, the approach has its limitations. Rather than an analysis of British life in the 1920s, we are given a series of topical chapters with few visible links or any overall synthesis. The treatment of individual subjects: industrial confrontation, the General Strike, housing, education, women and leisure, vary in depth of coverage and level of insight. Mrs. Branson, whose main interest seems to centre on the working classes, is best where the secondary material is rich and can be illustrated by direct quotation, the Bevin-Bowley dispute over an adequate miner's diet in 1920, or by graphs which have been well chosen and clearly reproduced.

The book is weakest on points of interpretation or when the author moves away from the more specific and conventional items of social history into the realms of opinions and ideas. We are given only a fleeting reference to that intellectual milieu in which social attitudes were shaped and the contemporary and future direction of British society debated. Even in a book written for the student and general reader, more could have been offered in terms of new material, coverage and synthesis.

What we are given is a series of short, concise and readable comments on a variety of subjects which fall within the social historian's provenance. The reader will be introduced to the contradictions and paradoxes of this crucial period. This was the time when a part of the English economy became permanently depressed. Even in the years of relative prosperity, the number of unemployed never fell below a million. Clashes between labour and capital were sharp as manual workers first tried to satisfy new aspirations and then grimly strove to maintain what had been won during the war years.

In the General Strike, the miners were deserted by the TUC leaders and the Government, supported by the upper and middle classes, including that newly recruited group of clerical workers anxious to preserve their status, emerged victorious. Only 9 per cent. of all children were offered secondary schooling and well under half of these were non-fee paying. Old age pensions, with the Act of 1925, were tied to the insurance principle; Lloyd George's means test was abandoned but the aged could not demand a pension by right. The principle of the old Poor Law was still maintained even when its base was eroded by economic necessity and working-class resistance.

Yet if this was a period of economic bleakness and social conflict, it was also a time when new industries were expanding and fundamental changes were occurring in the occupational and social structure of the nation. The old aristocracy gave way to a new titled class and an enlarged governing élite. The number of professional men rose; the salaried class increasing at the expense of the self-employed. The proportion of white-collar workers rose dramatically as compared to a modest increase in the number of manual workers who still represented more than three-quarters of the total working-class population. This growth in the ranks of the lower middle class had a direct impact on the life of the country as the attitudes and needs of this group were translated into political terms.

New scientific advances and technological inventions—birth control, cars, radio, cinemas, household equipment — were altering the patterns of everyday life. Existence was more comfortable for more people in the nineteen-twenties than it had been in Edwardian England. This mixed impression of the age comes out in every chapter; the contrasts at all levels would have been even sharper if Mrs. Branson had stressed the regional differences of Britain: Scotland and Wales, northern and southern England each had their own distinctive patterns.

The result of these changes was the creation of a number of institutions which met new needs but reflected and reinforced those class lines which still exist in 1976. The "modern" school was introduced though it hardly met the requirements outlined by R. H. Tawney in "Secondary Education for All." The pre-war renter was gradually replaced not only by the owner-occupier but by the council tenant. Women were freed from the worst restraints of a previous era but failed to achieve legal, educational or occupational equality. Improved means of transportation and communication did not erode regional and class distinctions. Neither the cinema nor the radio created a single nation. The "two Englands" continued to co-exist in an uneasy relationship with one another. There was little revolutionary fervour and after 1926 the union leadership became increasingly conservative.

Yet the new divisions in society and the government's attempts to solve its economic and social problems whether in the realm of housing, education, unemployment or medicine (not covered here) accentuated class differences and perpetuated that stratified society which gave inter-war Britain its unique shape. The twenties were a critical decade and there is a unity to this book but the reader must supply the central threads for himself. The value of these studies lies in the particulars and in its readability.

City pastor reflects

My Affair with the Church by Joseph McCulloch. Introduction by Malcolm Muggeridge. Hodder and Stoughton, £4.95, 222 pages

The lunchtime dialogues every Tuesday from the twin pulpits of the Church of St. Mary-le-Bow have been a popular event in the life of the City for the past 11 years. In this book the rector gives an account not only of their genesis and aims, reminding us on the way that it was the Great Bell of Bow who said "I do not know," but also of the special role—as he sees it—of this church strategically placed on the perimeter of the City of London.

The author looks back over his life in such different parishes as Chatham and Great Warley, describing himself as an "enfant terrible" within the Church, generating heat among his superiors as well as light among his flock. He is a fairly mature "enfant" by now, but his views remain as radical as they did when he was a young curate. He sums them up in a provocative chapter on how he thinks the Establishment should be restructured.

ANTHONY CURTIS

.K. ECONOMIC INDICATORS

		1976	1975	1975	1975	1974
d	Unit	Jan.	Dec.	Nov.	Jan.	Dec.
loyed¶ ...	'000s	1,430.3	1,211.4	1,168.8	742.0	n.a.
d vac'ns...	'000s	88.8	103.1	115.7	n.a.	n.a.
cy resrvs.	$bn.	6.785	5.429	5,606	6.833	6.789
advncs. b	£bn.	14,488	13,731	14,079	n.a.	n.a.
nater'ls d	1970=100	260.4	258.4	256.2	222.1	222.5
prods. d	1970=100	204.9	201.5	198.9	173.0	167.6
prices ...	Jan.'74=100	147.9	146	144.2	119.9	116.9
of trade	1970=100	81.0	79.7	81.2	81.5	76.2
ates	July.'72=100	200.4	196.8	194.2	158.9	157.1

		1975	1975	1975	1974	1974
		Dec.	Nov.	Oct.	Dec.	Nov.
les val.**	1970=100	186.4	180.8	177.8	158.9	159.8
t¶	£m.	2,320	2,289	2,261	2,330	2,313
output**	1970=100	100.6	101.5	101.5	102.8	106.6

		1976	1975	1975	1975	1974
and y		Jan.	Dec.	Jan.-Dec.	Jan.	Dec.
....	'000s	98	115	107.5	125	137
vehicles*	'000s	27.3	33.2	32.2	34.4	40
f.o.b. ...	£bn.	1.964	1.966	1.832	1.856	1.745
f.o.b. ...	£bn.	1.785	1.767	1.565	1.571	1.386
trade e	£bn.	−0.179	−0.199	−0.267	−0.285	−0.286
weekly e)	'000 tonnes	392	310	383	455.2	402

		1975	1975	1975	1974	1974
		Dec.	Nov.	Jan.-Dec.	Dec.	Jan.-Dec.
de	m. kgs.	46.2	49.13	46.85	37.74	52.3
‡‡	'000s	217.	221	211	206	251.7
radio- ‡	'000s	185	354	365.5	286	414.4
ted¶......	'000s	28	28.1	26	24.3	22.4

		1975	1975	1975	1974	1974
		Nov.	Oct.	Jan.-Nov.	Nov.	Jan.-Nov.
....	millions	437	488	421	438	475.1
(weekly e)	'000 tonnes	341	353	332	346	348.4
mt	m. tonnes	6.88	7.06	6.61	8.52	7.55
....	1970=100	91	91	92.6	105	101.3
ookers f	'000s	91.3	103.3	80.1	71.3	71.3
mchns.	'000s	49.2	95.6	81.2	45.9	70

		Oct.	Sept.	Jan.-Oct.	Oct.	Jan.-Oct.
et** ...	1970=100	150	150	153	127	135
ton y av.) ...	'000 metric tonnes	2.65	1.72	2.3	2.32	2.27
(orders d)** ...	1970=100	103	106	113.5	133	136.7
		Sept.	Aug.	Jan.-Sept.	Sept.	Jan.-Sept.
ols	m. kilos	9.5	7.0	9.1	9.0	10.2
		Aug.	July	Jan.-Aug.	Aug.	Jan.-Aug.
tools†...	£m.	21.2	22.0	23.6	17.6	18.9
		4th qtr.	3rd qtr.	Year to date	4th qtr.	Year
er g	1970 values	8,790g	8,814	35,645	9,057	35,741
ade r	1972=100	153	151	146.5	121	119
		3rd qtr.	2nd qtr.	Year to date	3rd qtr.	Year
nd civil ring* c	£bn.	3.097g	2.920	8.661	2.673	7.625

tion. † Deliveries. ‡ Net sales. § Consumption. ** Seasonally . †† All manufacturing industries. ‖ Excluding car radios. ries, U.K. made and imported sets. b From May, 1975. new basis of calculation refers to advances to U.K. public ate sector. Historical figures on new basis not available. f Including cooker griller toasters. c Value of output. Kingdom not seasonally adjusted. g First preliminary

Changing values and fixed terms

BY REX WINSBURY

Keywords: A Vocabulary of Culture and Society. Raymond Williams. Croom Helm £5.50 (hardback), Fontana 95p (softback), 286 pages

Like a Christmas pudding, a work by Raymond Williams is apt to be not just rich, but so rich as to be indigestible. This one is saved from that gastronomic fault by its structure—a series of short essays on the historical development of over 100 "Key" words and their meanings. Originally intended as an appendix to his most famous book, *Culture and Society* (1956), it still has the air of being an appendix to something or other; on its own it leaves the reader, or at least the non-specialist reader, with a strong feeling that the main drama is going on elsewhere. Despite the nearly 20 years of maturing, it might therefore have been better if the original publisher had had the courage of his or her convictions.

Yet Professor Williams may be attacked, at least from the shelter of a book review, on two counts. One is his wholesale appropriation of the English language to a Marxist view of history, or at least to history described in Marxist terminology: the other is his apparently laissez-faire attitude to language, when he derides all notions of "correct meanings," "standard English," or using T. S. Eliot's translation of Mallarmé's grander phrase, "purifying the dialect of the tribe." It is not just that his key words include Liberal, Radical, and Socialist, but not Conservative: rather, it is the proliferation of sentences like "The specialisation of 'work' to paid employment is the result of the development of capitalist productive relationships," and many other similar.

To my ear at any rate, this can lead Professor Williams into error, as when he spoils an otherwise fascinating account of the historical development of the words "unemployment" and "idle" by his comment on the use of "idle" in news reporting to describe workers laid off, locked out or on strike. "With its strong moral implications, 'idle' in this context must have ideological intentions or effects," he writes. On the contrary, "idle" in that journalistic use is a slipshod synonym (and regrettably I speak as one who so used it) for "not working," and simply will not stand up as an example of ideological prejudice.

What it does stand up as, is as an example of rotten English or, to put it crudely, a nasty Americanism. I am not sure whether Professor Williams, whose own prose style is meticulous, really believes in the "anything goes" doctrine that he apparently feels obliged to preach for evidently Marxist reasons. There is a revealing passage in which he says:

> "In the mid-nineteenth century there was the curious case of Standard English: a selected (class based) use taken as an authoritative example of correctness, which . . . attempted to convict a majority of native speakers of English of speaking their own language 'incorrectly'."

To call it "class-based" seems to me tendentious and uninformative: it wasn't so much about speaking as about writing: and the fact remains that concern for "proper" use of words is quite legitimate, indeed necessary in an age when the mass media in particular ("media" is of course another key word) frequently debase words, or reinforce debasement begun elsewhere.

The whole essay on the key word "standard" or "standards" seems vaguely hostile to the notion of having "standards" that must be kept to, because of the (undemocratic) implication that someone is really telling someone else what to do. Yet standards, whether verbal or intellectual, are implicit in every line and thought process of this book: and very high standards, of intention and execution, they are.

Crimes in short

BY WILLIAM WEAVER

A Woman in Bed by Miles Tripp. Macmillan. £2.95, 160 pages.

As he showed with his previous novel, *Obsession*, Miles Tripp enjoys the offbeat story, the twisted mind. Here the narrator has to deal with an elusive (and, it must be said, irritating) girl, who goes on being elusive after their marriage. Then there is a rich eccentric, quite unattractive. And there is also — the nicest member of the cast — an 18th century painter Matthew William Peters, of whom the narrator is to write a biography (a brief biographical note serves as an appendix to the book). Mr. Tripp tends to gallop off in all directions, but he is an engaging writer, and *A Woman in Bed* is fun to read.

Wycliffe and the Schoolgirls by W. J. Burley. Gollancz. £3.30, 191 pages

First we meet some schoolgirls, off on a holiday; and a mixed bag they are, wet or spiteful, most of them. Then, some years later, Chief Superintendant Wycliffe is faced with a curious, inexplicable murder, followed almost immediately by another. Needless to say, the girls' jaunt is the source of it all, as Wycliffe realises finally. Very neatly told, and the nut-case killer is remarkably credible.

The Dreadful Lemon Sky by John D. MacDonald. Robert Hale. £2.95, 228 pages

The new Travis McGee. And enough said. Once again, it's a girl. She stumbles on to Travis's boat, *The Busted Flush*, in the middle of the night; she is scared, young but already marked by life; and she is carrying a huge amount of cash. Later, she is killed; and Travis sets out to discover the reason (as well as the source of all that money). We are in Mr. MacDonald's wonderfully sleazy Florida, with its jerrybuilt architecture and its cynical politicians. Travis gets his usual amount of sex and, of course, solves not only the murder but a few other problems along the way. An excellent piece of work.

My Life is Done by Sara Woods. Macmillan. £2.95, 223 pages

Antony Maitland, QC, is drawn into another baffling case by his wife, Jenny. Uncle Nicholas, of course, shakes his head in reproof, but finally has to lend a conclusive hand. Good Northumbrian background and a suitable array of minor characters (though the Spanish dancer Ana's lapses into her native tongue become tiresome in the long run). Routine, but more than acceptable.

The End of the Web by George Sims. Gollancz, £2.90, 157 pages

Leo Selver, an antiques dealer, is murdered, victim of his fondness for younger women and, more especially, for money. His partner in a swindle also vanishes, not to be found again. And Eddy Buchanan, former cop and amiable drifter, starts investigating. The trail takes him rather a distance from antiques, into more recent history and a fairly improbable solution. Mr. Sims has rightly been praised for his gift of characterisation (and Leo Selver, though we meet him only briefly, is drawn with acumen); his plotting, this time, is less admirable. Still, the story moves at a brisk pace and can be read with enjoyment.

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Index rises 9 on renewed confidence

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Feb. 18.

WIDESPREAD GAINS returned to Wall Street today when technical selling of the past three sessions dried-up, and investors again focused on favourable fundamental signs such as rising Corporate profits, moderating inflation and the improvement in the economy.

The Dow Jones Industrial Average regained 9.52 to 960.09 and the NYSE All Common Index recouped 44 cents to $53.39, while advances outpaced declines by 1,068 to 498. Trading volume expanded 4.44m. shares to 29.9m.

The market already showed substantial gains when American Telephone and Telegraph, up $1⅛ at $56⅜, announced a quarterly dividend of 95 (85) cents a share, reflecting its "confidence in the U.S. economic recovery and its own business outlook."

In the day's economic news, U.S. personal income in January grew at a 1 per cent. annual rate, the highest since last September. However, January housing starts declined for the third successive month.

Upjohn sank $4⅛ to $43⅜ on fourth quarter net of 45 (35) cents a share which included 10 cents a share due to a change in accounting.

Pan American Airways, the most active issue, rose $⅜ to $7½. Trans World Airlines climbed $⅞ to $11⅛ on a smaller January loss.

Warner and Swasey slipped $2¼ to $24 on a fourth quarter loss, but Apache moved ahead $⅞ to $13⅞ on sharply higher fourth quarter net.

Cummins Engine fell $1¼ to $23⅜ on a fourth quarter loss, but Pittsburgh Forgings gained $1½ to $22 on sharply higher year net.

Stanley Works improved $1½ to $25½, following a gain in fourth quarter net.

Chesebrough-Pond's advanced $1⅜ to $62⅞, reflecting a quarterly payout of 38 (34) cents a share, plus a two-for-one stock split.

U.S. Steel rose $3½ to $81⅞, Marathon Oil $2⅞ to $46½ and Singer $1⅞ to $19⅞.

Celanese put on $2⅛ to $55⅞.

The American SE Market Value Index moved up 1.01 to 101.14. Advances outnumbering declines by 535-to-223.

Instrument Systems, the most active issue, put on $⅛ to $1⅛ on a volume of 353,400 shares.

Data Products were up $1 to $9⅞ and Aegis Corp., $⅜ to $1⅞.

OTHER MARKETS

Canada moves up

Canadian Stock Markets resumed their upward trend in active trading yesterday.

The Industrial Share Index gained 0.51 to 192.98, Golds 4.72 to 285.18, Base Metals 0.82 to 86.17, Western Oils 5.29 to 220.49, Utilities 1.41 to 141.55 and Papers 1.02 to 126.75. But Banks lost 3.03 to 251.65.

Pacific Petroleum jumped $1⅞ to $31⅞ and Dome Petroleum $1½ to $34½.

WCI Canada gained $1⅛ to $16 and Consolidated-Bathurst added $1¼ at $34¼.

PARIS—Mixed in active end of Account trading.

Banks, Financials, Engineerings and Chemicals eased but Properties gained, Foods and Electricals were steady, while Constructions, Stores and Oils were mixed.

Americans lost ground. Germans, Canadians and International Oils eased, Dutch issues were steady. Golds retreated, while Coppers were mixed.

BRUSSELS—Mostly lower in moderate trading.

Steels gave ground, although Clabecq went against the trend with a rise of Frs. 160 to 5,050. Metals declined, as did Electricals and Utilities. Chemicals were generally weak and Oils lost ground while Holdings were narrowly mixed.

U.S. shares were lower, South African Gold Mines declined, while Dutch, French and German sectors were down.

AMSTERDAM—Slightly lower on lack of buying interest.

Dutch Internationals were firmer, however, with Akzo, Hoogovens and Philips, each slightly better.

Plantations eased, Shippings were generally lower, Insurances were steady to weaker, while Stores and most Banks firmed.

State Loans rose in active trading.

GERMANY — Predominantly lower.

Banks were all lower, Electricals weaker, Chemicals mixed to lower, Motors all lost ground, Machine Makers mixed to lower, Steels mixed, while Metals declined.

Minings were predominantly lower, Utilities weaker, Stores lost ground and Breweries mostly declined.

Public Bonds firmed and Regulating Authorities sold a nominal DM20m.-worth of stock. D-mark Foreign Loans were also firm.

SWITZERLAND — Swiss issues were slightly higher in moderate trading.

Banks and Insurances were steady, Financials mixed, while Industrials and Chemicals firmed.

U.S. stocks were narrowly mixed in moderate trading, while Dutch Internationals and Germans remained steady.

OSLO—Banks were irregular, Insurances and Shippings quiet, while Industrials were weaker.

VIENNA—Steady to firmer.

COPENHAGEN — Generally higher in quite active dealings. Commodities were mixed.

MILAN—Mixed to higher after Settlement liquidation trimmed earlier gains.

Fiat further improved L31 to 1,643 on good demand.

Bonds were weaker.

HONG KONG—Firmer in less active trading while awaiting the Budget announcement next week.

TOKYO—Lower, following a fall in Trading House shares in connection with the Lockheed situation. Volume 170m. (150m.) shares.

Aircrafts, "high-priced" Electricals and some Constructions, Housings and Ceramics fell, but Shipbuildings and Steel Mills were isolated firm spots.

JOHANNESBURG—Gold shares finished easier after firming earlier.

In Mining Financials, JCI were down R1.25 to R21.75.

Industrials were quietly easier.

AUSTRALIA—Mainly higher on selective late support.

Pancontinental rose 40 cents to $A13.40 but Kathleen dropped 8 cents to $A1.32.

Cons. Rutile fell a further 10 cents to 90 cents and CSR also dipped 10 cents to $A3.80.

Dalgety jumped 45 cents to $A4.0 on strong support.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus.	Util.	Trading volume† 000's
Feb. 18	71.60	203.64	960.09	88.48	29,900
17	71.43	202.61	950.57	87.62	25,460
13	71.36	200.96	958.36	88.03	22,870
12	71.32	201.31	966.78	89.15	28,610
11	71.28	202.75	971.90	89.31	32,500
10	71.21	200.41	968.75	89.69	27,660
9	71.22	199.94	957.18	89.47	25,340
6	71.16	198.36	954.90	89.82	27,360
5	71.23	199.82	964.81	91.13	33,780
4	71.16	201.94	976.62	91.90	35,270
3	71.16	199.45	972.61	91.29	34,080
2	71.21	199.05	971.35	91.00	38,000
Jan. 30	71.36	199.36	975.28	90.87	33,610
29	71.20	198.06	968.75	91.07	23,300
28	71.13	195.84	961.35	90.55	27,370
27	70.92	197.26	957.81	90.75	32,070
26	70.94	197.36	961.51	90.65	34,470
23	70.90	197.38	953.95	90.62	35,840
1975-76 High	71.60 (15/2/76)	203.64 (18/2/76)	976.62 (4/2/76)	91.90 (4/2/76)	—
Low	66.16 (3/1)	146.47 (2/1)	852.04 (2/1)	72.02 (2/1)	—
All-time High	—	279.88 (7/2/69)	1051.70 (11/1/73)	163.32 (20/4/65)	38,510 (20/1/76)
All-time Low	—	13.23 (8/7/32)	41.22 (8/7/32)	10.58 (28/4/42)	—

† Excluding bonds.

IND. DIVIDEND YIELD p.c.

Feb. 13	Feb. 6	Feb. 14, 1975
3.90	3.91	5.25

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

1975-76 High	1975-76 Low	Feb. 18	Feb. 17	Feb. 13	Feb. 12	Feb. 11
54.24 (4/2/76)	37.06 (2/1/76)	53.39	52.95	53.27	53.55	53.76

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,918	1,068	498	352

	Feb. 18	Feb. 17	Feb. 13	Feb. 12	Feb. 11
New Highs	184	157	176	234	275
New Lows	nil	two	three	two	one

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

1975-76 High	1975-76 Low	Feb. 18	Feb. 17	Feb. 13	Feb. 12	Feb. 11
100.14 (18/2/76)	62.20 (2/1/76)	101.14	100.13	99.64	99.24	98.82
Volume (000's)		5,150	4,496	3,420	3,970	3,850

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
Feb. 18	112.02	99.85
17	111.12	99.05
13	111.84	99.67
12	113.52	100.25
11	113.19	100.77
10	112.75	100.47
9	111.73	99.62
6	111.53	99.46
1975-76 High	114.31 (4/2/76)	101.91 (4/2/76)
1975-76 Low	77.71 (8/1/76)	70.74 (8/1/76)

* Industrials. † 425 Industrials, 50 Utilities, 25 Rails.

STOCK AND BOND YIELDS

	Feb. 12 1976	Feb. 5 1976	Feb. 5 1975
Ind. Ord. yield pc	3.33	3.30	4.42
Ind. Ord. p/e ratio	13.35	14.06	8.54
Long-term Govt. Bds. per cent.	5.79	5.81	6.21

WEDNESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Pan Amer. Air.	751,600	7½	+⅜
Amer. Tel. Tel.	482,500	56⅜	+1
Cent. & South West	429,900	15⅜	−⅛
Levitz Furniture	411,700	7	+⅜
Citicorp	301,100	31⅞	−⅛
Ramada Inns	225,600	6⅜	−⅛
RCA	221,300	23⅝	−⅛
Singer	215,300	19⅞	+1⅞
Eastern Air Line	209,300	8⅜	+⅜
Texaco	207,600	23⅞	+⅛

TORONTO

INDUSTRIAL INDEX

Feb. 18	Feb. 17	1975-76 High	1975-76 Low
192.98	192.47	194.30 (15/7)	139.41 (2/1)

MONTREAL

INDUSTRIAL INDEX

Feb. 18	Feb. 17	1975-76 High	1975-76 Low
200.04	199.08	203.61 (13/7)	139.88 (2/1)

COMBINED INDEX

Feb. 18	Feb. 17	1975-76 High	1975-76 Low
193.95	193.60	198.08 (12/7)	138.05 (2/1)

JOHANNESBURG

	Feb. 18	Feb. 17	1975-76 High	1975-76 Low
Industrials	203.2	208.4	226.9 (16/7)	183.2 (23/1)
Golds	296.5	297.3	379.1 (13/1)	193.2 (8/12)

(1958=100.) Source: Rand Daily Mail.

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	Feb. 12	Feb. 5	Jan. 29
On Dividends	5.66	5.56	5.43
On Earnings	9.25	9.26	8.97

SYDNEY ALL ORD. INDEX

Feb. 18	Feb. 17	High 1975-6	Low 1975-6
449.94	448.04	472.86 (23/1/76)	289.88 (9/1)

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

Feb. 18	Feb. 17	High 1975-6	Low 1975-76
333.37	335.16	342.84 (1/2/76)	268.24 (10/1)

HONG KONG INDEX ◆

Feb. 18	Feb. 17	High 1975-6	Low 1975-6
416.12	411.89	434.48 (4/2/76)	150.42 (9/1)

SINGAPORE INDEX §

Feb. 18	Feb. 17	High 1975-6	Low 1975-6
269.41	274.59	286.16 (3/2/76)	153.26 (8/1)

EUROPE

	Feb. 18	Previous	1975-6 High	1975-6 Low
Belg'm (a)	111.01	111.22	113.81 (5/2/76)	89.07 (2/1)
Denm'k (b)	102.89	102.65	107.79 (27/1/76)	73.06 (13/1)
France (d)	70.5	70.4	72.6 (23/4)	51.70 (2/1)
Germ'y (e)	792.8	792.5	797.0 (6/1/76)	573.6 (2/1)
Holland (f)	102.7	105.4	107.6 (6/6)	83.2 (2/10)
Italy (g)	98.77	96.86	102.86 (21/2)	75.41 (17/10)
Spain (h)	92.60	93.40	110.36 (22/4)	91.25 (19/9)
Sweden (k)	413.55	410.57	419.63 (2/2/76)	310.56 (9/1)
Switz'rl'd (m)	293.3	292.5	297.7 (15/1/76)	206.5 (2/1)

Indices and base dates (all base values 100:— (a) Belgian S.E. 31/12/63. (b) Copenhagen S.E. 1/1/73. (d) Paris Bourse 1961. (e) Commerzbank December 1953. (f) Amsterdam Industrial 1970. (g) Milan 2/1/73. (h) Madrid S.E. 31/12/74. (k) Stockholm Industrial 1/1/58. (m) Swiss Bank Corp. 31/12/58. (n) Unavailable. ◆ Hang Seng Bank 31/7/64. § Straits Times 1966. (c) Closed. † Adjusted.

SPECIAL DRAWING RIGHT RATES

One SDR is equal to	Feb. 18	Feb. 17
Sterling	0.577160	0.577043
U.S. dollar	1.16950	1.16722
Belgian franc	45.5339	45.7610
Deutsche mark	2.98983	2.99553
French franc	5.22416	5.23417
Italian lira	—	—
Japanese yen	353.014	352.918
Dutch guilder	3.10970	3.11866
Swedish krone	5.11656	5.12147
Swiss franc	2.99474	3.00071

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—108⅝% (109⅞%)

NEW YORK

Stock	Feb. 18	Feb. 17
Addressograph	12⅞	11⅞
Aetna Life & Cas.	26¾	25⅞
Corning Glass	57	57
CPC Int'nation'l	45¾	45⅜
Crane	66¾	66¼
Crocker Nat.	24½	24¾
Johns Manville	28	27⅜
Johnson Johnson	91⅞	92
Johnson Control	20⅜	20⅜
Joy Manufactur'g	42	41⅜
Reading	2⅛	2⅛
Republic Steel	37⅛	36
Revlon	74⅞	74⅞
Reynolds Metals	36⅛	36⅛
Zenith Radio	34⅜	34⅜
Chile 3% 1993	87⅛	†87⅛
Peru 3% 1993	[illegible]	[illegible]
U.S.Treas.5⅝%1974	†100⅜	†100.09

Dollar weaker

The U.S. dollar was generally weaker in the foreign exchange market yesterday, following the improvement of the previous day. Part of the loss was probably because of the movement of speculative positions which, after favouring the D-mark for most of last week, were moved back heavily into dollar's on Tuesday following the easing of pressure on the weaker currencies in the European "snake."

Other factors weakening the U.S. unit were: adverse comment about the future of the U.S. economy, failure of a large U.S. bank, and further doubts about New York's financial position. The dollar's trade-weighted average depreciation since December, 1971, as calculated by Morgan Guaranty on noon rates, widened to 2.72 per cent from 2.53 per cent.

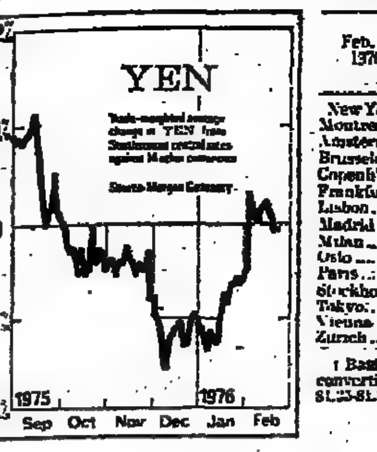
Sterling also lost ground against most other major currencies, with its trade-weighted average depreciation, as calculated by the Bank of England, widening to 30.4 per cent. from 30.3 per cent., after standing at 30.4 per cent. at noon and 30.3 per cent. in early dealings.

The pound opened at $2.0220-2.0230 and improved to $2.0255-2.0265, before closing at $2.0240-2.0250, a gain of 20 points on the day.

No intervention was reported from the major European central banks, and the German D-mark, Swiss franc, and Dutch guilder all closed firmer against the dollar. The D-mark improved to DM2.5625 from DM2.5705, following a large buying order during the afternoon.

The Italian lire recorded little change, finishing at L768½ in terms of the dollar, compared with L768¾ previously. On the unofficial parallel market in Milan the Italian unit lost ground however, as enthusiasm over the recently agreed EEC loan was tempered by consideration of Italy's total foreign debts.

Gold gained $1¼ to close at $130¾-131¾ in moderate trading. The krugerrand finished at $133¾-135¾ (£66-67) in the domestic market and its premium over the gold content narrowed to 2.67 per cent. from 3.46 per cent., and also narrowed to 2.86 per cent. from 3.46 per cent. in international dealings.



EXCHANGE CROSS-RATES

Feb. 18	Frankfurt	New York	Paris	Brussels
Frankfurt	—	2.5585-95	57.17-47	6.54-55
N. York	38.98-39.0	—	22.34-36	2.552-565
Paris	174.685-065	4.462-472	—	11.44-46
Brussels	15.24-28	39.0-03	8.72-75	—
London	5.18-19	2.024-025	9.05-06	79.0-20
Am'erdam	104.045-085	2.6577-6602	59.485-535	6.809-8145
Zurich	100.07-17	2.5610-25	57.21-26	6.55-56

GOLD MARKET

	Feb. 18 1976
Gold Bullion (a fine ounce)	
Close	$130¾-131¾
Opening	$130½-131½
Morning fix'g	$131.20 (£64.726)
Afternoon fix'g	$131.20 (£64.774)
Gold Coins (domestically)	
Krugerrand	$133¾-135¾ (£66-67)
New Sov'r'gns	$44-46 (£21¾-22¾)
Old Sov'r'gns	$42-44 (£20¾-21¾)
Gold Coins (Internat'lly)	
Krugerrand	$134-136 (£66¼-67¼)
New Sov'r'gns	$44¼-45¼ (£21¾-22¼)
Old Sov'r'gns	$41-42 (£20¼-20¾)
$20 Eagles	$215-218
$10 Eagles	$103-106
$5 Eagles	$72-75

FOREIGN EXCHANGES

Feb. 18 1976	Bank Rate %	Day's Spread
New York	5½	2.0220-2.0265
Montreal	9	2.0168-2.0180
Amsterdam	4	5.40-5.41
Brussels	6	79.00-79.40
Copenh'gen	7½	12.39-12.42
Frankfurt	3½	5.17-5.20
Lisbon	8½	55.30-55.90
Madrid	7	134.15-134.50
Milan	7	1,551-1,563
Oslo	6	11.15-11.21
Paris	8	9.05-9.08

FARMING AND RAW MATERIALS

U.S. winter wheat concern

By Our Commodities Staff

SOME CONCERN about the winter-sown wheat crop in parts of the U.S. was shown by the International Wheat Council yesterday in its monthly report.

Wheat prices advanced strongly in the first half of this month, mainly because of continuing near drought conditions in parts of Kansas, which produces about 18 per cent. of the U.S. hard red winter wheat crop, half of which is exported.

The December forecast of U.S. winter wheat production was 40.7m. tonnes. Total U.S. wheat output in 1976 is at present unofficially forecast at 54m. to 55m. tonnes, compared with 58.1m. last year.

Production prospects for winter-sown crops in the northern hemisphere still appear to be generally favourable, however, crop conditions in east and west Europe remaining good and adequate snow cover reported in the USSR.

Total world wheat output last year is now estimated by the IWS at 351m. tonnes, 1m. more than the previous estimate last month, 2m. less than the previous year and about 17m. below the 1973 record of 367.9m. tonnes.

Slow-down in Japan wool buying urged

OSAKA, Feb. 18.

JAPANESE SPINNING mills should restrain purchases of Australian raw wool because of an increase in stocks of worsted yarns, the Wool Spinners' Association advised here.

The association said Japan bought 808,000 bales of Australian raw wool between July, 1975, and last January, representing 27 per cent. of total Australian wool sales of 2.2m. bales.

The tempo seemed too fast in view of the fact that worsted yarn stocks in Japan recently exceeded 25,000 tonnes, against normal running stock requirements of about 20,000.

The Association also said it had asked Australian Deputy Prime Minister, Mr. Douglas Anthony, to keep the Australian Wool Corporation's raw wool floor price of 250 cents per pound unchanged in the next wool season.

U.S. RICE ACT

WASHINGTON, Feb 18.

President Ford has signed the 1975 Rice Production Act, eliminating direct federal controls on rice production.

The Act sets a higher target price of 8 cents a lb and a higher loan rate of 6 cents a lb for rice growers, with annual adjustments to reflect rising costs.

British fishing industry 'nearing collapse'

BY OUR COMMODITIES STAFF

A COLLAPSE of the British fishing industry "within a matter of months" was predicted during a meeting of all sections of the industry in London yesterday.

A British Trawlers' Federation spokesman said the situation was particularly bad in Scotland, where a collapse could possibly be measured in weeks. He said 8,000 jobs were at stake in Aberdeen alone.

The meeting passed a resolution calling "for an early and orderly extension of U.K. fishing limits to 200 miles, preferably in concert with the rest of the EEC." The spokesman emphasised that this did not mean a unilateral declaration.

The meeting also urged a 100-mile exclusive zone around Britain for the use of our fishermen only.

Mr. Alan Crisfield, chairman of the meeting and representing the Confederated Fried Fish Caterers' Association, said: "I have never seen the trawler owners so despondent. "They said the collapse of the fishing industry could possibly be measured within a matter of months."

Mr. Peter Worthington, also of the fish friers, said the fact that all sections of the industry had met together for the first time was "a measure of the desperation." If one part of the industry was in trouble, it had a domino effect on the others.

Earlier the Trawlers' Federation had released figures showing that imports of frozen cod fillets, which increased by 300 per cent. last year, were already up by another 21 per cent.

Last year's "flood" of imported frozen fish was regarded as one of the major culprits in the crisis, which had forced the scrapping or laying up of many vessels.

The trawling industry's weekly newspaper, Trawling Times, says the new rise in imports is the cause of the present decline in quayside prices "which had shown their usual seasonal increase up to last month, but are now slipping back to uneconomic levels."

The BTF claims that most of the imported fish is caught by "heavily subsidised" foreign fleets and is often landed at commercial docks, thus by-passing the fish markets.

Mr. Mike Burton, BTF president, said: "The Government and the EEC wants us to get our return from the market and we would like to do that, but it is impossible when imports like this flood in from subsidised fleets.

"The main fault lies with the EEC's completely unrealistic marketing policies. If this industry is to survive, we must have very fast action in formulating our own national policy and bringing the EEC up to date."

Lords begin commodity probe

BY JOHN EDWARDS, COMMODITIES EDITOR

THE FIRST PUBLIC meeting of the House of Lords Select Committee on Commodity Prices yesterday was very much a preliminary exercise, background evidence on U.K. Government policy being taken from the various Ministries.

Since most of the nine Lords serving on the Committee confess having only limited knowledge of commodities and price stabilisation schemes, it is thought that it will be several months, possibly a year, before sufficient verbal and written evidence can be collated to provide the kind of far-reaching report required. Assuming, of course, that the committee is re-appointed after the prorogation of Parliament in October, since it is unlikely that any report will be produced before then.

The Select Committee's terms of reference are far-reaching. It is "to investigate the problem of instability in prices of primary essential commodities; to scrutinise proposals designed to rectify wide price movements in these commodities; and to report on the likely effectiveness of these proposals in reducing the substantial price fluctuations which have occurred in recent years."

Mr. P. S. Preston, of the Department of Trade, acted as spokesman for the Government departments concerned, including the Foreign Office, Treasury, Ministry of Agriculture, Ministry of Overseas Development and the Department of Industry.

He claimed that the new initiative launched by the Prime Minister at the Commonwealth meeting in Kingston last year had provided a good starting point for wider international efforts to moderate commodity price fluctuations.

Mr. Preston said that the policy outlined in the White Paper last year had not been changed to any great extent, but there had been various international developments.

While rejecting an assertion by Lord Campbell of Eskan that Britain might have lost its previous role as a "catalyst" in international commodity discussions, he admitted that Britain was not able to play a decisive part by itself, and there were certain constraints as a result of being a member of the European Community.

The core of the U.K. outlook, which had influenced both the EEC and the U.S., was to attempt to modify price fluctuations from the basic price trend which was acceptable to consumers and remunerative to producers so that a long-term equilibrium would be achieved.

Britain also believed that, although broad principles had been laid down, a case by case approach to different commodities was required. This was likely to be the major area of debate at the Nairobi meeting in May of the UN Conference on Trade and Development.

Mr. Preston admitted that developing countries were more concerned with pushing up prices in real terms, than stability. But he pointed out that higher prices would not necessarily benefit the poorer nations, since a large percentage of primary products came from the developed countries.

Cocoa prices jump sharply

By Our Commodities Staff

COCOA PRICES jumped on the London terminal market yesterday. The May position gained £17.75, to £740.25 a tonne, after a flurry of buying interest met a general reluctance to sell.

Futures prices opened on a higher note, despite the absence of much physical business, and moved ahead strongly in the afternoon when the New York market was much higher than expected. This attracted stop-loss and chartist buying, and prices ended the day close to the highest levels traded.

A recovery in the New York coffee market also helped to steady London prices yesterday, which had been falling on profit-taking sales.

New rise in copper market

By Our Commodities Editor

COPPER PRICES advanced strongly on the London Metal Exchange yesterday, to the highest levels since last August. Cash wirebars gained £12.75, to £610.5 a tonne.

Dealers attributed the rise mainly to some heavy speculative buying and an overnight increase in the New York market.

Following the trend in New York, the London market opened on a higher note and rose steadily throughout the day on stop-loss and fresh speculative buying interest. Little actual physical business was reported.

Other metal markets moved higher in line with copper. Increased speculative buying pushed cash lead up by £2.5, to £174.75 a tonne, and cash zinc by £2.25, to £340.75 a tonne. The bullion spot quotation for silver was raised by 2.85p, to 203.45p, at the morning fixing and rose above 205p by the afternoon close.

As often happens, the tin market was an exception. Standard grade cash tin ended marginally lower, at £3,192.5 a tonne, in line with a fall overnight in the Penang market.

But high grade cash tin rose by £33, to £3,253 a tonne, establishing a hefty premium to standard, as buying demand uncovered a shortage of immediately available supplies.

Opinion sought on U.S. options trading rules

WASHINGTON, Feb. 18.

THE U.S. Commodity Futures Trading Commission is asking for public comment by March 31 on proposed interim regulations for commodity option transactions.

It said trading in commodity options was conducted without "comprehensive and substantive regulations to protect the public from abuses, or potential abuses."

The proposed regulations require that, from April 15, any dealer in commodity option transactions must have total assets in excess of total liabilities and continuously maintain a computed net working capital in excess of $100,000.

The commission said it anticipated that the proposed rules could be adopted by about mid-April. It will hold a public hearing on options on March 8.

Reuter

AGRICULTURAL DEVELOPMENT

Industry's role in Third World aid

BY MARY CHERRY

THE CONFERENCE of the general committee of the Industry Co-operative Programme, meeting in Rome this week, is likely to rank among the most significant in the ten-year history of this unique and potentially extremely high-powered organisation.

It will bring together senior executives of most of the world's agri-business multinational corporations to discuss "the role of International Agro-Industry in a New International Economic Order."

For those not familiar with UN jargon, this means that they will be considering how the resources, particularly the expertise, of the member corporations of ICP can most acceptably be used to help Third World development.

UN agencies

Interestingly, the idea of an organisation to bring together the world's major industrial enterprises in the sphere of agriculture, fisheries and forestry did not spring, as one might think, from the transnationals themselves. It was the brain-child of a distinguished member of the Third World itself—Dr. B. R. Sen of India when he was director-general of the UN Food and Agriculture Organisation.

Dr. Sen recognised that many agro-industry corporations had highly-developed technical skills plus years of experience of working in developing areas. He saw that, if these corporations could be brought into a co-operative relationship with relevant UN agencies, the resultant amalgam could constitute a valuable pool of resources upon which governments of developing countries could draw without the restraint of political inhibitions.

So the Industry Co-operative Programme—a privately financed programme within the FAO—was born out of a meeting of 18 industrialists in 1956. To-day there are over 100 members. But names on a membership list are not, in themselves, sufficient proof of progress.

ICP has had a long haul to achieve support and gain its present degree of acceptance. The accolade of respectability came when, for the first time, ICP was given an official role in a major UN conference. It was asked to organise a consultation of agro-industry leaders to formulate the industry's views prior to the UN World Food Confedence of November, 1974, and to put forward proposals aimed at increasing the agricultural output of developing countries. Subsequently, ICP was given official status in all the conference committees and industry members spoke on a number of resolutions.

Active support

From the outset, British companies have been active supporters of the ICP and now — with Sir George Bishop, chairman of Booker McConnell, going to Rome this week as chairman-elect of the programme — there is likely to be a resurgence of British enthusiasm for the cause. Other people in key positions are executive committee members Mr. J. I. Hendrie of Shell International Chemical and Mr. Hector Watts of BP Proteins and the chairman of the finance committee, Mr. J. F. P. Tate, of Tate and Lyle.

The most active of ICP's various working groups and task forces seems to be the Pesticides Group which, again, has a British chairman, Mr. A. J. Maier of ICI's Plant Protection Division. It has been responsible for organising the technical side of a series of seminars on safe and effective use of pesticides which have been held in Brazil, Costa Rica, Thailand and Kenya.

Some groups have come and gone for various reasons but there are some ten in existence covering dairy industry development, fisheries, farm mechanisation, forestry, integrated meat development, plastics in agriculture, and serious tickborn diseases of livestock.

The essence

As a catalyst and a "bridge" building project there is no doubt that the multinational ICP operating through the neutral, acceptable channel provided by the UN, can play a considerable part both in the production and the processing of more food within developing countries.

The Lima Declaration of the UNIDO General Conference last March called for a redeployment of production capacities from developed to developing countries.

This is the essence of the New International Economic Order—the required changes in economic relations between the developed and the developing world—which this week's ICP meeting is discussing. The Programme has already made it clear that it supports FAO's efforts to ensure that more of the agricultural, fisheries and forestry products produced in the Third World are also processed there.

Potato price delay threatens planting

BY PETER BULLEN

CONTINUED DELAY over the announcement of the U.K. farm price review was threatening the prospects of a big potato crop being planted this spring, producers warned yesterday.

Despite reports that the Government might announce the guaranteed potato price soon to stimulate maximum plantings in the spring and ensure a good autumn crop, the Ministry of Agriculture has remained silent.

It now expects to announce the British prices for potatoes, sheep and wool — the only products which do not come under the EEC's Common Agricultural Policy—in one package at the same time as the EEC prices are announced.

With the cancellation of next week's EEC Council of Farm Ministers meeting, however, the new Common Market farm prices cannot be decided until the next scheduled meeting on March 2-3 at the earliest. The U.K. prices are expected to be announced simultaneously.

National Farmers' Union and Potato Marketing Board officials yesterday deplored the delay. An early announcement would have helped producers to make up their minds over planting programmes, particularly as seed prices this year had rocketed four or five times above the normal level, to £200-£300 a ton.

Producers have been seeking a rise in the guaranteed price, from the present £28 a ton to at least £50, but the best informed estimate is that the Government will lift the figure by about 43 per cent., to £40.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Turned upwards in more active trading on the London Metal Exchange. The rise in the U.S. market overnight, following commission house buying and trade covering, caused prices to open higher here with forward metal trading at £622 in pre-market dealings. The firmer tone was maintained by speculative and chartist buying throughout the day which pushed the price up to £629.5 where it closed on the afternoon Kerb. An encouraging factor was the firmer opening of Comex although that market was showing signs of turning easier when dealings here ended. Turnover 25,750 tonnes.

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £609.5, early March £614, three months £625, 25.5, 26, 26.5, 27, 28.5, 27, 27.5. Cathodes: cash £601, 1.5, three months £617.5, 18. Kerb: Bars: cash £610, 10.5. Three months £628, 27.5, 28, 28.5, 29. Cathodes: all carries. Afternoon: Wirebars: cash £610, 10.5, 10, mid-May £628, three months £628, 28.5, 28, 28.5. Cathodes: cash untraded, three months £619, 19.5. Kerb: Bars: three months £628.5, 29, 30, 29.5, 29, 29.5. Cathodes: three months £620.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	609-.5	+10.5	610-1	+12½
3 months	627.5-8	+11	628.5-9	+12.5
Settlem't	609.5	+10.5	—	......
Cathodes				
Cash	600-1	+11	600.5-1.5	+12½
3 months	618-.5	+11.5	618.5-9	+13
Settlem't	601	+11.5	—	......
N.Y. Spot	—	......	*63-63.7	......

TIN—Irregular. Standard metal was marginally lower, reflecting the modest decline in Penang overnight, prices here being underpinned by the general firmness of other metals. High Grade cash metal, however, moved to a £60 premium over Standard material as renewed covering against physical business found little metal on offer. Turnover 1,345 tonnes.

LEAD

ZINC

SILVER

COCOA

COFFEE

RUBBER

FREIGHTS

GRAINS

WOOL FUTURES

LONDON—Market showed some improvement in the afternoon in average trading, Bache reports.

(Pence per kilo)

MEAT/VEGETABLES

SOYABEAN MEAL

SUGAR

JUTE

PRICE CHANGES

Prices per ton unless otherwise stated.

FINANCIAL TIMES

REUTER'S

DOW JONES

MOODY'S

CONTRACTS AND TENDERS

SYRIAN STORING & DISTRIBUTING CO.
PETROLEUM PRODUCTS "SADCOP"

No: 979/32. Date: 2/2/1976.
21
File No: 8.

ADVERTISEMENT FOR CALL OF OFFERS No. 8

The Syrian Storing & Distributing Co., Petroleum Products, "SADCOP" announce call of offers of top urgency for supply of 455 Tons, Lubricants, Greases & Special fluids according to the following conditions:

1) For the technical specifications' file apply to:
SADCOPS' Head Office in Damascus, Finance Directorate/Contracts' Dept., (free of charge).

2) Deposits:
Initial Guarantee 2% Two percent of the offer's total value.
Final Guarantee 5% Five percent of the final award's value.

3) Submit offers to:
Damascus General SADCOP's Head Office at Hijaz Square- Mulla & Madi building P.O. B. 40 to be delivered by hand or by registered mail.

4) Last date for submitting offers:
The end of the official working day at 2.30 p.m. on 30/3/1976.

5) Opening of Offers:
On Wednesday 31/3/1976 at 12 o'clock.

6) Validity of offers:
Offers to be valid for 60 days.

7) Fine for delay:
2‰ Two per thousand of the contract's total value for each day of delay.

8) PERIOD OF DELIVERY:
Delivery of special fluids & Multipurpose grease may be effected through two consignments during a maximum delay of three months as from the date of notification of the letter of credit.

9) Any offer not complying with any of the above conditions will be disregarded.

General Manager,
MOHAMED NADIM SADLEH.

U.S. Markets

Limit gains in cocoa, grains ease

NEW YORK, Feb. 18.

PRECIOUS metals closed higher, bolstered by reports that Iran had lifted import restrictions on silver bullion. Coffee and sugar eased on renewed speculative liquidation, while cocoa scored limit advances on aggressive chartist and Commission House buying. Prospects of rain over the week-end and commercial hedge selling resulted in easier grain prices, Bache reports.

Cocoa—Ghana spot 75½ nom. (73½), Bahia spot 72 nom. (70). March 68.95 (66.95), May 65.55 (63.55), July 63.50, Sept. 61.35, Dec. 58.65, March 57.30, May 56.60, July unquoted. Sales: 1,902.

Coffee—"C" Contract: March 100.70-101.25 (101.35), May 100.05-100.50 (99.70), July 100.00-100.45, Sept. 99.90-100.10, Dec. 100.00-100.10. Sales: 532.

Copper—Feb. 57.20 (57.00), March 57.30 (57.10 settlements), April 57.70, May 58.20, July 59.10 settlements. Sales: 4,561 lots.

Cotton—March 60.50-60.55 (61.00), May 61.85 (61.97), July 62.15-62.25, Oct. 60.65, Dec. 59.00-59.05, March 59.65-59.70, May 59.85-59.90, July 60.10-60.20. Sales: 4,500.

†Gold—Feb. 130.00 (129.70), March 130.00 (129.70), April 130.30, June 131.10, Aug. 132.20, Oct. 133.40, Dec. 134.70, Feb. 136.00, April 137.40, June 138.70. Sales: 1,511.

Greasewool—Spot 166.0 nom. (same), March 163.0-165.0 (163.0), May 163.0-165.0 (163.0), July 160.0-165.0, Oct. 160.5-162.0, Dec. 161.0, March 160.0-163.5, May nil.

†Lard—Chicago loose 19½ nom. (same), NY prime steam 21 asked (same).

††Maize—March 269½-269¼ (270½), May 275-275¼ (276½), July 279½-279, Sept. 277½, Dec. 273½-273¾, March 278½-278¼, May 282 nom.

‡Platinum—April 137.60 (same), July 139.50 (139.50), Oct. 142.30, Jan. 145.20, April 148.60, July 151.00-151.20. Sales: 151.

‡‡Silver—Spot 415.50 (407.30). Feb. 410.00 (408.90), March 411.10 (409.70), April 414.20, May 416.40, July 422.10, Sept. 428.00, Dec. 437.40, Jan. 440.50, March 446.60, May 452.70. Sales: 15,458.

*Soyabeans—March 480-481 (483), May 489½-489¼ (491½), July 496½-497, Aug. 502½, Sept. 504½, Nov. 509-509½, Jan. 515½, March 522, May 528.

bSoyabean Meal—March 134.00 (133.40), May 137.70-137.50 (136.80), July 139.50, Aug. 140.50, Sept. 140.00-140.50, Oct. 140.50-141.50, Dec. 145.00-145.30, Jan. 146.50-147.00.

Soyabean Oil—March 16.50-16.55 (16.97), May 16.75-16.70 (17.17), July 16.80, Aug. 16.90, Sept. 17.00, Oct. 17.05, Dec. 17.25, Jan. 17.30-17.25, March 17.35-17.45, May 17.40-17.50.

Sugar—Spot 13.50 (13.45). March 13.50-13.46 (13.54), May 13.53-13.50 (13.57), July 13.54-13.51, Sept. 13.54-13.53, Oct. 13.54-13.51, Jan. 13.53 nom., March 13.54-13.53, May 13.51-13.50, July 13.48 nom. Sales: 5,148.

Tin—300.50-325.00 asked (same).

**Wheat—March 379-378 (391½), May 386-385 (397½), July 358-359, Sept. 393, Dec. 404, March 413.

WINNIPEG, Feb. 18. ††Rye—May 270½ bid (278), July 268½ asked (271), Oct. 262½ asked, Nov. 257, Dec. 253 bid.

cOats—May 161 (162½ bid), July 156 asked (157½ asked), Oct. 153 nom., Dec. unquoted.

§Barley—May 228 (228½ bid), July 227 asked (227½ asked), Oct. 225 bid, Dec. 222 bid.

dFlaxseed—May 656½ bid (661), July 663 asked (668 bid), Oct. 663 asked, Nov. 657 asked, Dec. 657½ asked.

Wheat—SCWRS 13.5 per cent. protein content St. Lawrence 494½ (495½).

All cents per pound ex-warehouse unless otherwise stated. * Cents per 60-lb bushel ex-warehouse. † $'s per troy ounce—100-ounce lots. †Chicago loose $'s per 100 lbs.—Dept. of Ag. prices previous day. Prime steam f.o.b. NY bulk tank cars. ‡‡ Cents per troy ounce ex-warehouse. b New "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Chicago, Toledo, St. Louis and Alton. ‡ $'s per troy ounce for 50-ounce units of 99.8 per cent. purity delivered NY. **Cents per 60-lb bushel in store. ††Cents per 56-lb bushel ex-warehouse, 5,000 bushel lots. c Cents per 24-lb bushel. § Cents per 48-lb bushel ex-warehouse, 5,000 bushel lots. d Cents per 56-lb bushel, ex-warehouse, 1,000-bushel lots.

STOCK EXCHANGE REPORT

Talk of further big 'rights' issue unsettles markets

Share index down 6 points at 397.3—Gilts erratic

Account Dealing Dates

Option

*First Dealings	Declarations	Last Dealings	Account Day
Feb. 9	Feb. 19	Feb. 20	Mar. 2
Feb. 23	Mar. 4	Mar. 5	Mar. 16
Mar. 8	Mar. 18	Mar. 19	Mar. 30

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Equity markets gave ground yesterday in the face of uncertainty generated by rumours of a big fund raising issue from ICI which is due to announce its results for its last financial year to-day. Although not given a great deal of credence in most quarters, the rumours came on a market already restrained by the announcement at the opening of £20m. "rights" issue by Turner and Newall, which brings the total amount of fund raising so far this week *to approximately £43m.*

Selling of the leaders was only light, but, with the market unwilling, prices gradually gave ground. However, nervousness became more apparent in the very late dealings, a loss of 3.9 in the FT 30-share index at 3 p.m. being extended to one of 6 points at 397.3 at the close. The downward revision in the profits forecast by P and O, an index constituent, prompted an above average fall of 10½ to 98p in the share price.

British Funds charted an erratic course. Continued hopes of a reduction in Minimum Lending Rate tomorrow made for a generally firm start in this sector. However, initial gains ranging to ½ at the longer end were erased by the close, sentiment being unsettled by the rise in the December index for weekly wage rates. Short-dated stocks held up reasonably well in comparison, helped by easier conditions in money markets. Final quotations were below the best, but there remained scattered rises to ⅛ and occasionally more. The Government Securities index shaded 0.01 to 63.61.

Once again the level of activity was low—official markings of 5,750 compared with 6,120 on Tuesday and 6,039 a week ago—and price movements were mostly minor and few and far between. Falls led rises by 4-3 in FT-quoted Industrials and the FT-Actuaries All-Share index eased 0.1 per cent. to 166.13.

Conditions quietened considerably in the investment market, where sporadic arbitrage offerings released by non-resident activities in South African Gold shares lowered the premium ¾ to 108½ per cent. Yesterday's SE conversion factor was 0.6143 (0.6153).

In Recent Equities, Hughes Tool, in the wake of Wall Street's overnight dullness, reacted 1½ points to £34¼.

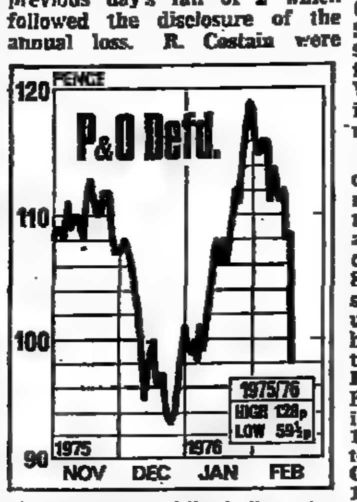
Midland better

With the exception of Midland Bank (results due a week to-morrow) which hardened 5 to 300p, the home Banks drifted lower on lack of support. National Westminster lost 8 at 247p and Barclays and Lloyds were 5 lower at 305p and 250p respectively. Concern about its substantial African interests continued to lower Standard Chartered, 5 off at 440p in Overseas issues. Among Hire Purchases, Cattles Holdings receded a penny to 25p in front of to-day's third-quarter figures.

Satisfactory American underwriting figures helped General Accident improve 3½ to 171½p in otherwise dull Insurances. "Royals" and Sun Alliance both gave up 2 to 326p and 433p respectively.

Adverse Press comment ahead of to-day's annual meeting left Allied 2½ down at 70p in dull Breweries. Elsewhere, Emu Wine hardened 5 more to 180p on hopes that Western Australia Worsted and Woollen Mills may try and better the 170p per share cash offered by Inchcape.

Awaiting to-day's preliminary results, Marchwiel improved 6 to 115p in active trading. HAT responded to the profits and dividend forecasts that accompanied the proposed £1.5m. "rights" issue with a rise of 4 to 44p, while William Whittingham, at 20p, recouped half of the previous day's fall of 2 which followed the disclosure of the annual loss. R. Costain were



raised 4 to 218p, while similar gains were scored by SGB, 100p, and Magnet and Southerns, 164p. Mixconcrete, at 76p, picked up 4 of the previous day's fall of 5 which followed the statement that the Cons. Gold Fields stake is for investment purposes only.

Nervously awaiting to-day's results, ICI closed 5 cheaper at 377p; there was talk of forthcoming "rights" issue. Albright and Wilson ended 2 easier at 87p despite preliminary figures which came up to general market expectations.

Mothercare rise

Mothercare featured Stores, rising 11 to 176p on speculative demand prompted by talk of a broker's circular. F. W. Woolworth hardened a penny more to a 1975/76 peak of 80p for a two-day rise of 3½. Marks and Spencer contrasted with a fall of 2 to 102p, while modest losses were also sustained by House of Fraser, 93p, and Debenhams, 94p, British Home Stores, at 356p, gave up all of the previous day's gain of 6. Mail Orders edged higher, Empire Stores closing a penny better at 93p and Grattan Warehouses finishing 2 harder at 108p. MFI Warehouses rose a penny to 49p in front of to-day's interim statement.

Leading Electricals attracted only a small interest and turned reactionary with the general trend. EMI relinquished 4 at 244p and GEC 3 at 149p, while Plessey closed a penny down at 78p, after 80p. Reyrolle Parsons, a well-supported market of late, closed unaltered at 121p, after initially hardening to 122p. A reasonable two-way Continental trade left Philips' Lamp unchanged at £10$\frac{7}{16}$. Elsewhere, Allied Insulators were in firm vein, ending 2 better at a 1975-76 high of 31p awaiting to-day's preliminary results. Chloride, 105p, and Ever Ready, 120p, edged up 3 apiece, and Ward and Goldstone put on 2 to 95p, but Dimplex, in an unwilling market, receded 2½ to 7p. Rotaflex (Great Britain) shed 2 to 31p.

Engineerings followed no set direction and Hawker, possibly on hopes of overseas aircraft orders, gained 4 to 410p, after 412p, but Tube Investments shed that much to 330p. Vickers reacted from 165p to end a net 1 easier at 162p and John Brown reacted 2 to 85p. Herbert Morris, on the other hand, made swift response to the impressive preliminary figures, rising 9 to 85p, while Tecalemit, up 3 at 57p, after 58p, and Braham Millar, 2 better at 41p, firmed to "rights" issue news coupled with dividend and profit forecasts. Press comment lifted William Boulton 1 to 19½p, but the chairman's view on the order situation caused CompAir to react 2 to 78p. Elsewhere, McKechnie declined further to 70p, still on its South African interests, before rallying to close a net 2 lower at 73p. Brasway were lowered 4 to 58p and Pegler-Hattersley eased 3 more to 164p. In contrast, GHP moved up 4 to 112p and Victor Products gained 3 to 57p. Yarrow were the sole feature in Shipbuildings, rising 4 to 146p; the annual meeting was yesterday.

Foods closed with little alteration following a quiet trade. Fox's Biscuits proved exceptional at 85p, up 7, on small buying in a thin market. Meat Trade Suppliers edged up 2 to 82p in front of to-day's interim figures. On the bid front, Clover Dairies regained 2 at 158p in sympathy with a rise of 2 to 79p in bidders Northern Foods. Bejam became an erratic market, reaching a 1975-76 peak of 86p before closing 2 easier on balance at 82p.

Trust Houses Forte eased 2½ to 130p ahead of to-day's preliminary statement. Grand Metropolitan gave up 1½ at 81p and Warner Holidays lost 2 at 17½p.

Turner and Newall fall

After starting a little firmer, miscellaneous Industrial leaders gave ground in a continuing slow trade. Turner and Newall closed prominently lower, with a fall of 8 at 152p in reflection of the £20m. "rights" offer accompanied by an estimate of a profits standstill in 1975. Unilever, with preliminary results due soon, retreated the same amount to 434p. Glaxo finished 5 down at 362p, after 370p, and Beecham 2 off at 352p, after 356p, while losses of 3 were left in Boots, 134p, and Rank Organisation "A," 147p. The South African Barlow Rand, 213p, recouped 8 of the recent nervous fall, while Rennies Consolidated, after retreating afresh to 155p, picked up on the interim results to 162p, just a penny lower on the day. The Australian Broken Hill Proprietary, 690p, retrieved half of the previous day's loss of 20. Elsewhere, improvements of 4 were recorded in Foseco Minsep, 189p, R. H. Cole, 46p, and Security Services, 64p, while Robert Stigwood put on 2½ more to 39½p. However, losses of 4 were sustained in Gestetner "A," 179p, and IC Gas, 326p. John M. Newton, despite the increased first-half profits, eased 2 to 40p. LCP were quoted ex "rights" at 66p, with the new nil-paid at 8½p premium.

Jonas Woodhead provided a firm spot at 101p, up 4, in otherwise easier Motors and Distributors. Associated Engineering, at 85p, gave up 2½ of the previous day's rise of 3½, while Lucas finished 3 cheaper at 214p.

Morgan Grampian, which has been approached by Communica-Europa with a view to a possible offer of 70p cash, rose 5 further to 80p, but other Publishers and Newspapers were colourless.

P & O flat

A statement from P and O Deferred confirmed recent Press predictions that profits for the 15 months to December last will fall far short of the £34m. forecast at the time of the interim statement last June due to heavy provisions at the associated Bovis concern; opening at around 108p, the shares receded steadily to close 10½ down on the day at 98p. Ocean Transport closed 3 off at 129p and J. Fisher shed 5 to 80p.

Narrowly mixed price movements were the order of the day in Trusts and Financials. Still reflecting a bullish broker's circular, Dalgety firmed 2 more to 258p, after 260p, for a two-day gain of 12. Grimshawe, however, lost ½ more to 1½p on further consideration of the extensive capital reorganisation plans.

Oils, after holding steady for most of the day, turned a shade easier late and Shell closed 2 off at 382p, while Burmah lost the turn to 46p; the latter will close its controlling interest in Woodside-Burmah, 2 better at 116p, after 112p, following the "rights" issue announcement, raising A$21m., by WB. LASMO/SCOT units remained out of favour and shed 5 to 170p, while Tricentrol slipped 2 to 58p and Berry Wiggins 3 to 44p. Elsewhere, Siebens (U.K.) regained 20 to 210p.

The African political uncertainties remained an unsettling factor in Lonrho, which closed 5 cheaper at 117p. Another continuing dull spot in Overseas Traders was Sime Darby, down 3 more at 121p for a two-day fall of 8, while Paterson Zochonis, 420p, and the "A," 410p, reacted 10 apiece. Harrisons and Crosfield, however, improved 12½ to 975p.

Property leaders followed Tuesday's firm showing with slightly higher opening levels, but subsequently softened in very thin trading to finish moderately easier on balance. Declines of 3 were recorded in Land Securities, 184p, after 188p, and MEPC, 82p, after 86p, while British Land, 36p, and Town and City Properties, 21p, both finished a penny cheaper; the interim results of the last-mentioned are expected February 27. Elsewhere, the half-year report left Daejan Holdings 2 easier at 49p, while City Offices closed similarly cheaper at 44p on the preliminary statement. Barratt Developments gave up 3 at 116p, but Joseph Webb, still on the first-half statement, managed to improve a fraction more to 21½p.

A downward drift, which continued "after-hours," left Courtaulds 5 lower at 159p in irregular Textiles. John Haggas lost a similar amount to 315p on further consideration of the results, while Carrington Viyella cheapened a penny to 34p, after 33½p on the preliminary figures. RKT, 52p, and Coats Patons, 65p, gave up 3½ and 2½ respectively. By way of contrast, Vita-Tex edged forward a penny to 28p with the help of an investment recommendation. Yorkshire Fine Woollen Spinners firmed 3 more to a 1975-76 high of 27p. Tobacco majors turned easier, with Bats 4 lower at 346p and Imps 1 down at 83p.

After the recent sharp decline on events in Angola, South African Industrials became a steadier market and closed modestly better following some "cheap" buying. Primrose improved 10 to 135p as did Greatermans 'A' to 300p.

Plantation Holdings shed 3½ to 33p in dull Rubbers, where Kuala Lumpur-Kepong declined 2 to 43p and Golden Hope cheapened similarly to 35p. Among mixed Teas, companies involved in the James Finlay/McLeod Russel reorganisation programme gave ground.

African mining shares generally put up a better performance than of late following the official recognition of the MPLA in Angola by the British and other governments.

De Beers, one of the worst affected by the political uncertainties, rallied to close 18 at 268p, owing to bear closing, local and Cape buying. American Corporation rose to 307p in active trading and Corporation put on 5 to 345p. On the other hand, Rand Se[illegible] continued to attract sellers, a further 20 to a 1975-76 low of 610p.

Coppers also staged a r[illegible] flecting the strength [illegible] metal price. Messina ad[illegible] 15 to 230p, while Minorco 4 to 198p and Botswana hardened to 56p. The Rh[illegible] copper producing Mangula regained 7 to 75p.

Platinums, however, co[illegible] to lose ground on Cape off[illegible] with Potgietersrust 4 lo[illegible] 130p and Bishopsgate 3 e[illegible] 88p.

South African Gold sha[illegible] proved marginally for th[illegible] time in five trading days with the higher bullion which was finally $1.25 hi[illegible] $131.25 per ounce. Small Continental, local and [illegible] dealings, U.S. buying helped prices although business w[illegible] low level. The Gold Mines rose 0.3 to 198.9.

Australians were mixed [illegible]ing the trend in overnight markets. Uraniums were [illegible] with Pancontinental ½ up and Peko-Wallsend 10 hi[illegible] 510p. Ocean Resources [illegible] 2 to 38p. Among other iss[illegible] and S rose 5 to 140p follow[illegible] less-worse-than-feared resu[illegible]

Elsewhere, continued bi[illegible] lifted Northgate to 470p be[illegible] shares closed a net 20 up [illegible] the company announced a [illegible] cent. fall in 1975 income la[illegible] Westfield Minerals, howe[illegible] 20 to 173p on profit-taking.

FINANCIAL TIMES STOCK INDICES

	Feb. 18	Feb. 17	Feb. 16	Feb. 13	Feb. 12	Feb. 11
Government Secs.	63.61	63.62	63.40	63.47	63.72	63.14
Fixed Interest	65.25	65.14	64.91	64.81	64.60	63.94
Industrial Ordinary	397.3	403.3	400.2	405.5	400.0	400.3
Gold Mines	198.9	198.6	205.2	214.9	221.8	233.1
Ord. Div. Yield	5.25	5.19	5.22	5.17	5.24	5.23
Earnings Yld.% (full)	15.29	15.11	15.25	15.05	15.34	15.43
P/E Ratio (net) (*)	8.84	8.76	9.68	9.80	9.67	9.65
Dealings marked	5,750	6,120	7,240	4,965	5,910	6,039
Equity turnover £m.	—	67.06	54.74	57.00	49.87	61.36
Equity bargains total	—	15,105	15,540	14,386	13,421	16,680

10 a.m. 401.1. 11 a.m. 402.4. Noon 402.4. 1 p.m. 401.3. 2 p.m. 399.1. 3 p.m. 398.4.

Latest index 01-246 8026.

(a) Based on 52 per cent. corporation tax. (b) Nil=8.97.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1975/6 High	1975/6 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	65.21 (30/1/76)	49.18 (6/1/75)	127.4 (9/1/35)	49.18 (6/1/75)
Fixed Int.	64.43 (2/2/76)	50.53 (6/1/75)	150.4 (28/11/47)	50.53 (6/1/75)
Ind. Ord.	417.4 (30/1/76)	146.0 (6/1/75)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	442.3 (22/5/75)	197.1 (20/1/76)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Feb. 18	Feb. 17
Daily—		
Gilt-Edged	165.2	[illegible]
Industrials	191.6	[illegible]
Speculative	93.1	[illegible]
Totals	130.9	[illegible]
5-day Av'rge		
Gilt-Edged	159.4	[illegible]
Industrials	195.7	[illegible]
Speculative	109.3	[illegible]
Totals	137.0	[illegible]

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section.)	Wed. Feb. 18, 1976 Index No.	Day's Change %	Est. Earnings Yield % (Max) Corp. Tax 52%	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) Corp. Tax 52%	Est. P/E Ratio (nil) Corp. Tax 52%	Tuesday Feb. 17 Index No.
1	CAPITAL GOODS (178)	150.94	+0.3	15.58	5.64	9.85	9.84	149.82
2	Building Materials (29)	143.58	+0.1	11.69	5.96	13.10	13.09	143.20
3	Contracting, Construction (23)	235.46	—0.2	14.88	4.15	10.50	10.50	235.92
4	Electricals (16)	261.31	+0.2	15.70	4.57	8.78	8.78	260.75
5	Engineering (Heavy) (13)	170.16	—0.2	19.21	6.94	8.46	8.46	170.53
6	Engineering (General) (63)	136.49	+0.6	16.22	6.21	9.24	9.24	135.64
7	Machine and Other Tools (9)	56.57	—0.5	14.93	[illegible]	12.08	12.08	56.84
8	Miscellaneous (25)	150.76	+0.2	10.60	5.41	9.56	9.56	150.49
9	CONSUMER GOODS (DURABLE) (56)	135.12	+0.1	13.94	4.69	10.85	10.81	135.01
10	Electronics, Radio TV etc. (15)	150.46	+0.6	12.65	3.85	11.80	11.76	149.54
11	Household Goods (14)	179.50	—0.2	13.78	6.15	10.78	10.69	179.83
12	Motors and Distributors (27)	78.83	—0.6	16.08	6.94	9.57	9.57	79.34
13	CONSUMER GOODS (NON-DURABLE) (168)	157.01	—0.2	13.38	5.61	11.10	10.96	157.27
14	Breweries (15)	170.72	—0.5	13.21	6.32	11.35	11.35	171.50
15	Wines and Spirits (7)	180.48	—0.3	10.26	5.59	14.79	14.79	181.02
16	Entertainment, Catering (16)	201.86	+0.3	11.02	6.04	14.51	13.86	201.19
17	Food Manufacturing (22)	165.86	—0.4	12.92	4.99	10.90	10.62	166.51
18	Food Retailing (16)	159.61	—	11.59	4.96	12.52	12.52	159.57
19	Newspapers, Publishing (15)	179.51	+0.1	12.57	5.63	11.94	11.94	179.35
20	Packaging and Paper (13)	108.93	+0.6	20.50	7.01	7.35	7.34	108.30
21	Stores (33)	133.66	+0.2	11.22	5.06	13.69	13.67	133.44
22	Textiles (22)	175.65	—1.5	15.56	6.15	9.50	[illegible]	177.89
23	Tobaccos (3)	224.26	—0.1	19.61	6.52	7.84	[illegible]	224.59
24	Toys and Games (6)	64.52	—	21.14	6.16	6.59	6.59	64.54
	OTHER GROUPS (94)							
25	Chemicals (24)	215.65	—	12.99	4.46	10.79	10.79	215.55
26	Office Equipment (10)	88.04	+0.5	14.69	5.93	10.02	10.02	87.65
27	Shipping (12)	388.11	—3.1	18.62	6.58	6.87	6.60	400.60
28	Miscellaneous (48)	167.39	+0.2	14.06	6.31	10.46	10.46	167.02
29	INDUSTRIAL GROUP (496)	159.36	—	14.00	5.46	10.53	10.47	159.46
30	OILS (4)	333.05	—0.3	15.11	4.65	7.59	6.62	333.90
31	500 SHARE INDEX	173.99	—0.1	14.16	5.38	9.91	9.65	174.12
32	FINANCIAL GROUP (100)	142.53	—0.3	—	4.97	—	—	142.95
33	Banks (6)	170.67	—1.0	15.52	4.76	9.45	9.45	172.44
34	Discount Houses (10)	181.97	+1.9	—	6.76	—	—	178.60
35	Hire Purchase (5)	123.31	—0.1	—	6.11	—	—	123.38
36	Insurance (Life) (9)	124.96	—0.3	—	5.12	—	—	[illegible]
37	Insurance (Composite) (7)	110.84	—	—	6.21	—	—	[illegible]
38	Insurance Brokers (9)	221.93	+0.6	9.18	4.18	16.44	16.44	[illegible]
39	Merchant Banks (17)	50.16	—0.3	—	6.11	—	—	[illegible]
40	Property (32)	164.26	—	2.40	3.63	[illegible]	[illegible]	[illegible]
41	Miscellaneous (5)	81.53	—0.2	14.52	6.14	10.80	10.80	[illegible]
42	Investment Trusts (50)	172.06	—0.1	2.92	4.19	34.23	34.21	172.21
43	ALL-SHARE INDEX (650)	166.13	—0.1	—	5.24	—	—	166.31
	COMMODITY GROUPS (Not included in 500 or All-Share indices)							
44	Rubbers (9)	451.69	—1.7	14.19	7.44	10.82	10.79	459.52
45	Teas (9)	214.30	—0.3	24.13	8.25	4.28	4.31	215.77
46	Coppers (3)	236.45	+1.2	41.80	7.27	2.39	2.39	233.65
47	Mining Finance (11)	99.94	+0.2	11.82	5.03	9.56	9.56	99.76
48	Tins (8)	93.72	—0.6	16.34	9.63	10.60	[illegible]	[illegible]
49	Overseas Traders (13)	252.52	—0.5	14.42	4.69	8.97	8.87	253.72

Columns for Monday Feb. 16, Friday Feb. 13, Thurs. Feb. 12, Year ago (approx.), 1975/76 High and Low, and Since Compilation High and Low: [illegible]

FIXED INTEREST

		Wed., Feb. 18 Index No.	Yield %	Tues. Feb. 17	Monday Feb. 16	Friday Feb. 13	Thurs. Feb. 12	Wed. Feb. 11	Tuesday Feb. 10	Mon. Feb. 9	Year ago (approx.)
1	Consols. 2½% yield	—	13.56	13.55	13.55	13.63	13.61	13.61	13.61	13.79	15.10
2	20-yr. Govt. Stocks (6)	51.47	12.67	51.50	51.31	51.46	50.62	51.15	50.98	51.25	46.92
3	20-yr. Red. Deb. & Loans (15)	50.83	14.55	50.83	50.87	50.84	51.03	51.00	51.15	51.15	46.60
4	Investment Trust Prefs. (15)	51.25	13.68	50.65	49.81	49.81	49.63	50.19	50.29	50.59	42.77
5	Coml. and Indl. Prefs. (20)	69.10	13.71	69.07	69.06	68.99	68.94	69.28	69.57	69.89	60.80

1975/76 High/Low and Since Compilation High/Low columns: [illegible]

† Redemption yield. A new list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 19p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975/6 high	1975/6 low
Lonrho	25p	13	117	— 5	139	68
P & O Defd.	£1	12	98	—10½	128	59½
De Beers Defd.	R0.05	11	268	+18	333	161
"Bats"	25p	9	346	— 4	377	164
Cons. Gold Fields	25p	9	180	+ 5	290	173
ICI	£1	9	377	— 5	387	118
Shell Transport	25p	9	382	— 2	404	118
Burmah Oil	£1	8	46	— 1	100	27
Courtaulds	25p	8	159	— 5	169	83
Grand Met.	50p	8	81	— 1½	88	17½
Ocean Tran. 'New'	Nil/pd.	8	21*	— 2	33*	21*
Standard Chart'd	£1	8	440	— 5	515	210
Natl. Westminster	£1	7	247	— 8	290	88
RTZ	25p	7	184	+ 2	211	80
BP	£1	6	583	—	615	190

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).

* Premium.

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Feb. 17	Mar. 1	May 13	May 25
Mar. 2	Mar. 15	May 27	Jun. 9
Mar. 16	Mar. 29	Jun. 10	Jun. 22

"Calls" were dealt in Burmah Oil, Lonrho, Premier Consolidated, Charterhall Finance, Turner & Newall, Glynwed, Geo. Wimpey, Reyrolle Parsons, Beatson Clark, Cavenham Warrants, House of Fraser, Imperial Group, Intereuropean Properties, Campari and Manganese Bronze. A "put" was done in Burmah Oil, while "doubles" were arranged in *Burmah Oil*, Wingate, Lonrho, Spirella, Reyrolle Parsons, UDT, Shell Transport and MK Electric.

Burton 'A'	7	"Lofs"	6½	Amal. Inv.	3½	Hampton Areas	12
Cadburys	6	"Nams"	6	Brit. Land	4½	Hampton Prop.	4
Courtaulds	11	Marks & Sp'ncer	10	Cap Counties	3½	Kloof	100
Debenhams	[illegible]	Midland Bank	22	E.P.	8	Lonrho	12
Distillers	15	Nat'l West Bank	20	Land Securities	18	Loraine	55
Dunlop	7½	"Do" Warrants	10	MEPC	10	Poseidon	55
Eagle Star	13	P & O Dfd.	11	Peachey	3½	Pres. Steyn	200
E.M.I.	17	Plessey	8	Town & City	3½	Rio T. Zinc	17
Gen. Accident	16	R.H.M.	5	Town & Comm.	4	Welkom	55
Gen. Electric	13	Rank Org. 'A'	18			West Areas	40
Glaxo	35	Reed Int'l.	23	Oils		Western M'ng.	18
Grand Met	7	Rothmans	4	Brit. Petroleum	40		
G.U.S. 'A'	17	Slater Walker	4½	Burmah Oil	7		

NEW HIGHS AND LOWS FOR 1975/76

The following securities (numbers in parentheses) among those quoted in the Share Information Service yesterday attained new highs and lows for 1975-76.

NEW HIGHS (57)

[illegible]

NEW LOWS (11)

[illegible]

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	16	2	[illegible]
Corpns., Dom. and Foreign Bonds	14	—	[illegible]
Industrials	227	306	[illegible]
Financial and Prop.	76	115	[illegible]
Oils	3	3	[illegible]
Plantation	5	16	[illegible]
Mines	46	30	[illegible]
Recent Issues	8	9	[illegible]
Totals	397	485	[illegible]

BASE LENDING RATES

Allied Irish Banks Ltd. [illegible]
Anglo-Portuguese Bank [illegible]
Henry Ansbacher [illegible]
Banco de Bilbao [illegible]
Banco de Jerez [illegible]
Bank of Cyprus [illegible]
Bank of N.S.W. [illegible]
Banque du Rhone S.A. [illegible]
Barclays Bank [illegible]
Barnett, Christie Ltd. [illegible]
Bremar Holdings Ltd. [illegible]
Brit. Bank of Mid. East [illegible]
■ Brown Shipley [illegible]
Canada Permanent AFI [illegible]
Cayzer, Bowater Co. Ltd. [illegible]
Cedar Holdings [illegible]
■ Charterhouse Japhet [illegible]
C. E. Coates [illegible]
Consolidated Credits [illegible]
Co-operative Bank [illegible]
Corinthian Securities [illegible]
Credit Lyonnais [illegible]
G. R. Dawes [illegible]
Duboff Brothers [illegible]
Duncan Lawrie [illegible]
English Transcont. [illegible]
First London Secs. [illegible]
■ Antony Gibbs [illegible]
Goode Durrant Trust [illegible]
Greyhound Guaranty [illegible]
Grindlays Bank [illegible]
■ Guinness Mahon [illegible]
■ Hambros Bank [illegible]
Hawtin & Partners [illegible]
■ Hill Samuel [illegible]
C. Hoare & Co. [illegible]
Julian S. Hodge [illegible]
Industrial Bank of Scot. [illegible]
Keyser Ullmann [illegible]
Knowsley & Co. Ltd. [illegible]
Lloyds Bank [illegible]
London & European [illegible]
London Mercantile [illegible]
Midland Bank [illegible]
■ Samuel Montagu [illegible]
■ Morgan Grenfell [illegible]
National Westminster [illegible]
Northern Comm. Trust [illegible]
Norwich General Trust [illegible]
Portman Guaranty [illegible]
P. S. Refson & Co. [illegible]
Rossminster Accept'cs [illegible]
Schlesinger Limited [illegible]
E. S. Schwab [illegible]
Security Trust Co. Ltd. [illegible]
Shenley Trust [illegible]
Standard Chartered [illegible]
Thames Guaranty [illegible]
Trade Development Bk. [illegible]
Twentieth Century Bk. [illegible]
United Bank of Kuwait [illegible]
Whiteaway Laidlaw [illegible]
Williams & Glyn's [illegible]
Yorkshire Bank [illegible]

■ Members of the Accepting Houses Committee.

* 7-day deposits 5½%, 1-month [illegible]

† 7-day deposits on sums of £10,000 and under 5½%, up to £25,000 6%, and over £25,000 6½%.

‡ Demand deposit 7%.

§ Call deposits over £1,000 5½%.

MONEY MARKET

Free credit supply

Bank of England Minimum Lending Rate 9½ per cent. (since February 6, 1976)

Day-to-day credit was in good supply in the London Money Market again yesterday, and the authorities sold a moderate amount of Treasury bills to the Discount houses to absorb surplus funds. Banks brought forward surplus balances, and a fall in the note circulation was also in the market's favour. On the other hand however, revenue payments to the Exchequer exceeded Government disbursements, there was a net take-up of Treasury bills to finance, and the market was also faced with local authority bill maturities and settlement of official gilt edged sales.

Discount houses paid 7-8½ per cent. for secured call loans at the start, and rates touched 6½-7 per cent., before closing at 7-8 per cent.

In the inter-bank market overnight loans opened at 7⅝-7¾ per cent. and eased to 8-8½ per cent. before increasing to 8-8½ per cent. and closing at 12-15 per cent.

Short-term fixed period interest rates were generally fairly steady. The discount houses buying rate for three-month Treasury bills was unchanged at 8$\frac{11}{32}$-8¼ per cent.

Rates in the table below are nominal in some cases.

Feb. 18 1976	Sterling Certificates of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House deposits	Company deposits	Discount market deposits	Treasury bills ♦	Bank Bills ♦	Fine trade Bills ♦
Overnight	—	6-15	—	—	—	7-10	6½-8¼	—	—	—
2 days notice	—	—	7½-7⅝	—	—	—	—	—	—	—
7 days or 7 days notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nine months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* Local authority and finance houses seven days' notice, others seven days' fixed. [illegible]

CORAL INDEX

Close 397-402

I.G. INDEX

GOLD 128½-131½

INSURANCE BASE RATES

† Atlantic Assurance [illegible]

Cannon Assurance [illegible]

* Address shown under Insurance and Property Bond table.

هكذا اصل الأصل

AUTHORISED UNIT TRUSTS

INSURANCE, PROPERTY, BONDS

REGIONAL MARKETS

Rose £1	320	—	Kleen-e-Ze	19	—	Alliance Gas (£1)	87½	+2½
(R.A.)	25	—	Lovell's Ship £1	80	—	Carroll (P. J.)	118	—
McHdy	61	—	N'thn. Goldsmith	88	—	Clondalkin	42	—
Fr'k 10p	26	—	P.M.A.	53	+1	Concrete Prods.	85	—
	8	—	Pearce (C. H.)	80	—	Goodbody (£1)	34	—
...rge	40	—	Peel Mills	12½	—	Heiton (Hldgs.)	33	—
Pkg. 5p	16	—	Richards 10p	19	−1	Irish Distillers	63	—
Reed 50p	146	—	RobbCaledon5p	42	—	Irish Wines	40	—
...r & Sons	12	—	Sayers 12½p	17	—	Jacob	70	—
...r (L.)	76	—	Sheffield Brick	68	—	Sunbeam	14	+1
			Sheff. Refrshmt.	140	—	Unidare	72	—

...ADERS AND LAGGARDS

...ollowing table shows the percentage changes* which have taken place since ...r 31, 1974, in the principal equity sections of the F.T.-Actuaries Share ... It also contains the F.T. Gold Mines Index.

...al Distributors	+239.79	Electricals	+147.23
...ment and Catering	+225.56	Consumer Goods (Non-Durable) Group	+136.78
... Goods (Durable) Group	+215.26	Stores	+136.39
...A, Radio and TV	+214.62	Overseas Traders	+133.72
...	+199.56	Financial Group	+133.24
... (Brokers)	+198.29	Food Retailing	+130.89
...rs and Publishing	+196.95	Insurance (Composite)	+130.38
... Materials	+195.38	Packaging and Paper	+126.18
...g and Construction	+189.98	Investment Trusts	+125.49
... Games	+188.26	Wines and Spirits	+113.42
...s (General)	+178.29	Breweries	+110.45
...	+173.85	Discount Houses	+105.82
...oods Group	+178.29	Tobacco	+ 88.08
... Goods	+170.34	Shipping	+ 86.72
...hase	+165.22	Property	+ 86.78
...	+164.75	Office Equipment	+ 82.65
... Tools	+161.94	Teas	+ 61.97
... (Life)	+158.26	Rubbers	+ 59.71
... Banks, Issuing Houses	+156.15	Tins	+ 55.98
...ufacturing	+155.38	Mining Finance	+ 13.17
... Index	+154.56	Coppers	− 38.38
...s (Heavy)	+150.85	Gold Mines F.T.	− 63.82
... Group	+150.12		
...	+150.02		
... Index	+148.63		

* Percentage changes based on Tuesday, February 17, 1976 indices.

OFFSHORE AND OVERSEAS FUNDS

NOTES

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1975/6 High	Low	Stock	£	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
98	92	Treasury 6½pc 1976‡‡	98xd	+	6.58	9.01
99	97	Victory 4pc 1976‡‡	98xd	.....	4.04	—
102	96	Treasury 10½pc 1976‡‡	101	+	10.38	8.86
97½	88⅞	Treasury 6¾pc 1977‡‡	97½xd	+	6.43	9.19
97	86	Electric 3pc 74-77	97xd	.....	3.08	5.70
103	96⅞	Treasury 11½pc '77‡‡	102xd	+	11.20	9.66
94	84	Treasury 3pc '77‡‡	93	.....	3.21	7.10
93⅞	84	Transport 4pc '72-77	93	.....	4.28	7.92
98½	90½	Treasury 9pc 1978‡‡	98½xd	+	9.14	9.84
101	96	Treasury 10½pc '78‡‡	101	+	10.38	9.92
92½	79	Exchequer 5pc '76-78‡‡	92xd	+	5.44	8.52
103⅞	94	Treasury 11½pc '79‡‡	103xd	+	11.12	10.20
87	71	Treasury 3pc '79‡‡	87xd	+	3.45	7.19
87⅞	73⅞	Electric 4¼pc '74-79	87xd	+	4.85	8.29
100	94½	Treasury 10½pc '79‡‡	99	−	10.52	10.53
99	95	Do. 10½ 1979 'A'	99	−	10.52	10.53
86	71	Electric 3½pc '76-79	86	+	4.06	7.80
95	84	Treasury 9pc 1980‡‡	95xd	+	9.38	10.26
95	89	Treasury 9½pc '80‡‡	95	+	9.90	10.70
95	92	Treasury 9½pc 1980 'A'	95	+	9.90	10.71
86	68	Treasury 3½pc '77-80	85xd	.....	4.11	7.59
87	71	Funding 5¼pc '78-80‡‡	86	.....	6.09	9.20
103	94	Treasury 11½pc 1981	102⅞	−	11.18	10.71

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

**INTERNATIONAL BANK

[illegible]

**CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS (Miscel.)

[illegible]

FOREIGN BONDS & RAILS

[illegible]

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

[illegible]

S.E. List Premium 49⅛% (based on $2.0232 per £)

CANADIANS

[illegible]

S.E. List Premium 62¼% (based on $2.0147 per £)
Conversion factor 0.6143 (0.6153)

††BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER & ROADS

[illegible]

BUILDING INDUSTRY—Continued

[illegible]

CHEMICALS, PLASTICS

[illegible]

CINEMAS, THEATRES AND TV

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Continued

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING, MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS & CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

هكذا اصل الأصل

INDUSTRIALS—Continued

1975/6 High	Low	Stock	Price	+ or –	Div Net	Cvr	Y'ld Gr's	P/E
11½	5	Jentique 5p	10	......	†0.49	2.4	7.6	8.5
22	10	Johns'n & B.12½p	21	......	†d0.78	1.4	6.2	(14.0)
46	20	Johnson Clnrs	37	......	†2.18	1.7	9.0	9.8
385	120	Johnson Mth. £1	352	......	10.23	4.5	4.5	7.6
41	18	Judge Int.	27	......	1.85	1.7	10.5	8.5
27	14½	Kalamazoo 10p	23	......	1.57	1.4	10.5	10.5
56	20	Kelsey Ind. 12½p	50	......	2.63	3.5	8.1	5.4
28	9	Kennedy Sm. 10p	18	......	1.98	1.9	11.8	7.0
870	325	Kershaw (A.) 5p	625xd	......	12.81	ϕ	3.2	ϕ
225	66	Kleeman	225	......	†3.89	5.0	2.7	11.6
39	15	Kode Int.	31	......	†1.23	3.5	6.1	7.3
*70½	22	L.C.P. Hlds.	66xr	......	b3.9	1.3	9.1	16.0
26	11	L.K. Ind. Inv.	23	–1	†d1.96	1.8	13.1	6.5
49½	13½	L.R.C. Int. 10p	45	......	†2.0	1.1	6.8	20.2
101	56	Lamson Inds.	69	–1	2.74	2.5	6.1	9.3
40	26	Lawtex	32	......	2.58	2.0	12.4	5.4
134	48	Lead Inds. 50p	131	......	†4.69	3.9	5.5	7.2
62	24	Leadenhall Stg.	62	+1	†3.32	2.4	8.4	6.5
55	17	Le Bas (Ed.)	51	......	†1.36	8.5	4.1	4.4
43	15	Leboff Fobel 10p	41½	......	‡1.48	4.2	5.5	11.8
54	19	Lebus Harris	48xd	......	2.93	ϕ	9.4	ϕ
34	12	Leigh Ints. 5p	34	......	0.73	5.8	3.3	8.0
84	35	Leisure Car. 10p	83	......	†4.82	1.7	8.9	11.2
168	59	Lep Group 10p	128	–2	2.54	5.9	3.1	7.5
44	12	Lesney Prods. 5p	40	......	g0.84	7.6	3.2	5.6
75	13	Letraset 10p	71	+1	†s1.28	4.6	2.7	11.3
20½	5½	Liden 10p	12½	......	0.17	2.6	2.1	25.2
*38½	13½	Light & Lein. 10p	36	–1	†2.0	3.7	9.2	7.9
50	20	Lindsay & Wms.	21	......	†3.06	3.6	‡	1.9
68	28½	Lindustries	63	......	†3.76	3.4	9.2	4.6
51	23	Lipton (L.)	30	......	†2.4	2.0	‡	6.2

INSURANCE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS—Continued

Trusts, Finance, Land, etc.

OILS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

AUSTRALIAN

TINS

COPPER

MISCELLANEOUS

High	Low	Stock	Price	+ or –	Div Net	Cvr	Y'ld Gr's
10	3	Burma Mine 17½p	9	......	m0.5	—	1.5
65	17	Charterhall 5p	30½	+½	—	—	—
880	360	Cons. Murch. 10c	720	......	Q80c	ϕ	6.1
53½	29½	Laurasia	38½	......	—	—	—
470	200	Northgate C$1	455	+20	Q25c	1.0	3.0
211	80	R.T.Z.	194	+2	g5.51	4.4	4.6
135	47½	Sabina Inds. C$1	105	......	—	—	—
81	45	Stanford Mines§	45	......	—	—	—
£12½	874	Tara Explo. $1	£11¼	......	—	—	—
118	38	Yukon Cons. C$1	110	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming nil tenpence of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- • "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Banks and Insurance reserve allocations may preclude calculation of dividend cover.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- •• Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim, reduced final and/or reduced earnings indicated.
- ♦ Based on 1973 profits.
- ? Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♀ Regional price.
- ǁ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend, cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment.

A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. M Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 20

FINANCIAL TIMES
Thursday February 19 1976

Chrysler forecast is challenged by dealers

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

THE MARKET forecast on which Chrysler U.K. is basing its Government-backed recovery programme was openly challenged yesterday by leading figures in its dealer organisation.

Chrysler is forecasting an 8.6 per cent. share of the British market tihs year, going up to 10 per cent. for each of the next three years. *The dealers say* they have been given these forecasts by the company itself, which according to the Government rescue plan is predicting a return to profits in 1977.

Yet according to Mr. Pat Duffy, chairman of the trade and industry sub-committee of the Commons Expenditure Committee, which is investigating the Chrysler agreement, the company achieved only a 3.6 per cent. market share with its U.K. products in the first 10 days of February.

French-made

Replying to Mr. Duffy at the committee proceedings yesterday, the dealers said that this result was "exceptional." But Mr. John Rose, chairman of the Crysler U.K. Dealer Association, admitted that in his view the long-term sales plan was "highly optimistic"

"We feel we shall be hard pushed to achieve this figure," he said.

Mr. Rose added that one of the problems the dealers faced was obtaining sufficient supplies of the new French-made Chrysler Alpine. He said that the car, which will be assembled in Britain later this year, had made a tremendous impact. But they were doubtful whether they would get sufficient quantities for the new model "to be of value" to them.

Overall, he calculated, Chrysler's market share would be about 1 per cent. below the company's own forecast.

Because of the generally pessimistic view that dealers are taking of Chrysler's future, they believe it will be essential for them to take on other franchises as well.

Mr. Rose admitted that these would probably be foreign, although part of the reason for the Government's anxiety to rescue the company was a desire to avoid a wholesale shift to buying imported cars.

Mr. Rose explained that most Chrysler dealerships were financially geared to a 10 per cent. market share, and that many could not survive below this figure. A large number of dealers, he believed, were negotiating individually with Chrysler to relax the exclusivity clause whereby they sell only the company's products.

In a joint statement, the Chrysler dealers—also represented yesterday by Mr. *Bryon* Lawrence, vice-chairman of the dealer association, and Mr. William Dewing, and former chairman—made a strong attack on the quality of the company's products and management.

Controversial

Over the last five years they had consistently tried and failed to get something done about quality, they said. Yet this had been allowed to deteriorate from the formerly high standard expected by the previous Rootes ownership. They had only noticed an improvement over the last nine months.

In a potentially controversial paragraph, the dealers also called for help with their stock requirements through the Government scheme in terms of capital and revenue costs.

They were faced with increasing investment "totally out of step with profit opportunities" an. unless they received "substantial assistance." stocks would diminish to the detriment of Chrysler and themselves.

Such forms of assistance, however, would almost certainly be opposed by other British car manufacturers.

British Leyland will not "buy off" strikes in future, and further Government help depends on improved efficiency, the group says in the annual report and accounts sent out to its 108,000 shareholders yesterday. Compensation for Mr. John Barber, the former managing director, has not yet been agreed, and Mr. Noel Falconer, one of the dissident shareholders who opposed the terms of the Government takeover, has been nominated for the Board. **Page 20**

CBI approves participation policy document

BY JOHN ELLIOTT

PARTICIPATION by workers in company affairs was given a major boost last night when the CBI grand council unanimously approved a new policy document which proposes that companies should negotiate "participation agreements" with their employees.

This would be statutorily enforced for the country's 700 largest concerns.

Earlier yesterday the Engineering Employers' Federation took a similar step when its management Board provisionally approved its own new policy advocating similar participation arrangements which will be finalised soon.

Both organisations also came down heavily against the TUC's proposals for union-based worker-directors, and the CBI council went so far as to decide that the TUC's plans should be rejected outright and should not be regarded as a basis for negotiation by employers.

Both organisations will be submitting their views to the Bullock Inquiry on industrial democracy in the private sector during the next few weeks and the CBI will also start a campaign to persuade its members to introduce its proposals without waiting for Government legislation on the subject.

CBI leaders last night were celebrating the fact that their council had approved the plans which they considered would have been rejected as little as a couple of years ago.

Sir Campbell Adamson, CBI director-general, said that the new policy "gets away from emotion and gets down to objectives."

Three aims

He listed three main aims of the policy:

1—Any participation schemes, the detailed design of which is not laid down by the CBI, should be designed to "increase the efficiency of the wealth-creating sector of the nation." Such schemes if done well could help efficiency but if done badly could do great harm.

2—The CBI policy had been designed to take into account different companies' situations including those which already had consultative arrangements and would not need to make many if any changes.

3—"Management must be allowed to manage effectively," Sir Campbell said.

The CBI's document, reported in the Financial Times on Monday, has only limited detailed objectives for its participation scheme and does not envisage direct employee involvement in management decision making.

After views aired during yesterday's council meeting, this may be widened to increase the involvement when the CBI's detailed evidence for the Bullock Inquiry is prepared during the coming weeks.

The CBI proposes that the country's largest 700 companies employing more than 2,000 workers should be bound by law within a period of four years to negotiate participation agreements with their workers.

This will annoy the TUC because the CBI expects non-unionists to have a voice.

Statutory

There would be a fall-back on statutory arbitration where agreement was not reached. The emphasis would be on plant-level participation, although worker directors are not totally ruled out as one option, and a special voluntary consultative council system has been designed fo1 small companies.

The Engineering Employers' Federation policy follows similar lines and is outspoken in its criticism of the TUC's proposals.

"We shall be saying with conviction that we do not believe that the imposition of worker directors or two-tier Board systems with their potential, for divided loyalties will improve our industrial relations or efficiency.

"We believe it would be positively harmful," said Mr. John dent, who retired as EEF president yesterday.

THE LEX COLUMN

Unhappy days at P & O

P & O's acquisition of Bovis is now looking distinctly unfortunate, and so is its forecasting record. A year ago, it warned that it could not "promise a repeat" of 1974's £48.5m. pre-tax. In March it was still describing 1973's £34.2m. as the new base level of profitability, but in June it suggested that an extended 15 month period ending in December would only produce this kind of figure. The outcome now seems to be around £28m., which includes substantial (although undisclosed) "profits" from Bovis and ship disposals — but excludes further write-downs at Bovis of £23m. on investment and development properties.

Total provisions at Bovis now amount to over £60m., which means that its net assets roughly equate to whatever profits it reported during 1975. The acquisition two years ago cost 20m. shares (a seventh of P & O's current equity) and has brought over £70m. of debt into the balance-sheet. This is one of the main reasons for the transformation of P & O's gearing since 1972, a process which will have been taken further during the latest 15 months when net cash flow of perhaps £50m. or less may not have covered half the group's net capital spending.

The hope is that disposals will keep any net cash outgoings to modest proportions this year, and although there is no word on current trading, two of last year's problem areas—passenger ships and ferries—have been slimmed down sharply. But there is no suggestion at this stage of any increase in the annualised dividend rate, and the new management is rapidly exhausting its fund of goodwill. Yesterday's 10½p fall took the shares down below par to 98p, which is roughly where they stood 12 months ago, and the yield of 8 per cent. provides much the strongest prop.

Turner and Newall

Turner and Newall's rights issue left the shares 8p lower at 152p yesterday despite news of a useful recovery in profits for the second half of 1975 and the promise of an increase in the dividend. The issue's narrow (19 per cent.) discount may have had something to do with the market's reaction, and the ex rights price is 148p. But at least Turner's earnings statement was more positive, and the chances are that it can produce sizeable growth during the current year.

After six months profits before tax lagged by 18 per cent. Turner now expects to make at least £21.3m. for 1975, against £21.5m. and the recovery is coming from the associates where the pre-interest contribution could easily top £6m., against £2.7m. Elsewhere, the overseas subsidiaries should roughly hold their own at £11m. before interest, while the U.K. and Europe move lower. But the plastics operation had a sharply improved final quarter that took in volume growth and the automotive side is picking up. And getting Bell's Mines out of the red could be worth £2m. to 1976. Outside estimates of profits range up to £28m. pre-tax this year.

Group borrowings at January 30 are broadly in line with the £59.3m. of a year ago, when tangible shareholders' funds totalled £127m. So Turner's cash needs are not exactly urgent. But nearly £26m. of borrowings are due for repayment by 1979, and the group reckons its working capital requirements could easily rise by £10m. (or 15 per cent.) during 1976.

Index fell 6.0 to 397.3

General Accident

The composites' results for 1975 due over the next six weeks should show that with the exception of the Commercial Union the underwriting cycle is definitely moving in the right direction to judge by General Accident's U.S. figures and its comments about trends elsewhere. Although its U.S. underwriting loss has increased from £1.8m. to £11.8m. in the final quarter deficit just over £1m. The recovery so far come mainly from property classes though group is now talking about increases being approve the troublesome motor ac in most states — the i coming almost entirely in

In the U.K., the group d suffer a repetition of the industrial fire experience third quarter and with also improving losses reduced in the final p Although results from the tinent are described as "p larly disappointing," accounts for well under a of world-wide premiums following an overall writing loss of £20.4m. nine months the full year could be £25m. or so, suggests pre-tax profit roughly £17m., against £ While CU is the other composite expect report a pre-tax decline in GA's long-term record an obvious potential this ye already reflected in a sector average yield: afte ing back against the secto the last fortnight the share 3½p yesterday to 171½p the capitalisation is £218

Albright & Wilson

Bolstered by the weake sterling in the second Albright and Wilson ha pre-tax profits at £ within a fifth of the peal level—though a fairer parison might strip ou extra pension fund paym 1974, indicating an unde fall of more like 30 pe The value in a recession of steady volume busine detergent chemicals emphasised, and thanks free availability of phosp the group was able to co still more problems at Harbour.

Albright cautiously ir a modest volume recov the fourth quarter, ar ought to provide the fou for rising profits in 1976 will bring an end to cu destocking problems in like flavours and perfume point of uncertainty, ho is the cut in the pr Moroccan phosphate rock, in the short run ought t margins, but also in heavily competitive con in fertilisers and elsewhe 87p the shares are cushioned by the 6.8 pe yield.

Now BR cuts back services

BY ARTHUR SMITH

BRITISH RAIL is to push through service cuts from March 1, in spite of some local opposition from trade unions. News of the Board's decision comes within 24 hours of the announcement that BR is raising fares for the fourth time in just over 12 months.

The cuts, of up to 40 per cent. in some cases, are designed to save between £3m. and £4m. a year. They are part of the economy drive designed to stem the nationalised industry's losses. Originally scheduled to come into force from January 1, the cuts were postponed for further discussion with the rail unions.

More bad news for passengers is on the way as the State-owned National Bus Company is also likely to seek fares increases of more than 10 per cent. from next month.

Pressures on the public transport sector were underlined yesterday when more than 2,000 busmen gathered in Westminster to lobby in protest at cuts in Government subsidies.

Mr. Anthony Crosland, the Environment Secretary, has warned that transport will come well down the list of priorities in the public expenditure review to be published to-day.

BR WESTERN Region led the way yesterday with an announcement that from March 1 services will be cut with the aim of saving more than £500,000 a year. Some 11 trains to and from Paddington will be withdrawn and a further 27 will be altered.

LONDON MIDLAND also hopes to enforce economies worth £300,000 a year by the beginning of next month. Proposals include a 40 per cent. cut on the Euston to Watford line and 16 per cent. between Marylebone and High Wycombe.

EASTERN Region, where most of the cuts are timed to take effect from May, is looking for some service reductions of up to 20 per cent.

On **SOUTHERN** Region, though the percentage cuts scheduled for April and May are only of the order of between 5 per cent. and 7 per cent., the high volume of traffic means that more than 40 peak hour services may be cancelled in addition to the closure of stations and heavier cuts on Sundays.

Christian Tyler writes: Rail unions were angry yesterday that the Board should have announced its intention to go ahead with its economy drive before reaching final agreement with them on redundancy pay and related issues.

They were told of the Board's intention by letter late on Tuesday.

They have already allowed local union-management discussions to go ahead on the understanding that no cuts will actually be made until national-level talks are complete.

However, final agreement on redundancy terms is thought to be near. It will then be for local union officials to seek whatever modification to BR's regional plans they think necessary.

Head of auditors' committee resigns

By Michael Lafferty, City Staff

MR. DAVID RICHARDS, a former partner in Harmood Banner and Co., auditors of London and County Securities, has resigned as chairman of the Institute of Chartered Accountants' auditing practices committee and chairman designate of the accountancy profession's proposed new auditing standards committee.

Mr. Richards is a council member of the Institute of Chartered Accountants in England and Wales, and he is now a senior partner in Deloitte and Co., a leading city accounting firm with which Harmood Banner merged in 1974.

His resignation follows the considerable adverse publicity of his former firm resulting from the Department of Trade inspectors' report on London and County.

The report makes several criticisms of Harmood Banner and concludes that the auditors should not have signed unqualified audit reports on the accounts of London and County, or one of its subsidiaries, at March 31, 1973.

The inspectors say that the main extent of inflation of the cash balances was known to the Harmood Banner audit partner, Mr. Plummer.

The accountancy bodies were clearly startled by such a severely ertical report.

In the event, Mr. Richards decided to place his resignation in Mr. Grenside's hands last week. The resignation was accepted last night at a special meeting of the Presidents of the English and Scottish Institutes of Chartered Accountants and the president of the Association of Certified Accountants.

Mr. Richards, who is widely regarded as one of the leading practising accountants in the country, cannot be said to have been in any way to blame in the London and County affair, and he was not the subject of any adverse criticisms in the inspectors' report.

Britain recognises MPLA government

BY JAMES BUXTON

BRITAIN yesterday became one of many European nations that recognised the PLA's People's Republic of Angola. Neither West Germany nor Belgium has so far joined Common Market partners in endorsing the Soviet-backed government.

However, West German recognition of the MPLA is considered a virtual certainty, with Bonn, annoyed by the EEC's failure to make a joint announcement on the matter, merely allowing a respectable pause before it makes a move.

The West German government would like to see African opinion swing more wholeheartedly behind the MPLA, and its sensitivity towards American feelings *has also contributed to the delay.*

Diplomatic

Belgium, which recognises States, not governments, recognised Angola when it became independent on November 11 last year. It will decide whether to establish diplomatic links with the MPLA at a Cabinet meeting to-morrow. One reason for the delay is the need to maintain good relations with Belgium's former colony Zaire, whose Foreign Minister, Mr. Carl i Bond is visiting Brussels.

Apart from Britain, European nations recognising the MPLA include Holland, Italy, Switzerland, Norway, Sweden, Denmark, Malta and Cyprus. Ireland recognised the State of Angola, as is its practice, but said this did not mean it endorsed the MPLA.

France recognised the MPLA on Tuesday, leaving the EEC in disarray after a foreign policy meeting in Luxembourg which had attempted to reach a unanimous simultaneous recognition.

Condemned

Britain, Holland, Ireland and Italy specifically condemned foreign intervention in Angola, and the Foreign Office called on Cuba and South Africa to withdraw their forces. Britain hopes that Western recognition of the MPLA will diminish Soviet and other Eastern-bloc influence in Angola.

Meanwhile, in South Africa the Prime Minister, Mr. John Vorster, warned South Africans that they could expect continuous attacks from outside. He said they would need to stand together to resist them.

"I have reason to believe that the Western world knows what kind of people South Africans are, and I have reason to believe that the Russians and Cubans know it too," he added.

In Lusaka, the Zambian government advised the FNLA and Unita to join forces with the MPLA to end bloodshed. The Foreign Minister, Mr. Rupiah Banda, said Zambia would not recognise the MPLA but was ready to work with any established government in Angola. Zambia was not opposed to the MPLA now and would not be in the future.

Editorial comment, Page 18

Bribes probe by Shore

BY MARGARET REID

AN INVESTIGATION into special payments and corrupt practices in overseas trade has been set up by Mr. Peter Shore, Secretary for Trade, in the wake of the Lockheed bribe allegations made in recent U.S. Congressional hearings.

A spokesman for the Department said yesterday: "We are trying to establish the facts as they affect British companies. Events in other parts of the world have brought the subject to our attention that we need to know the picture."

It is understood that the probe, whose results may not necessarily be published, covers both any payments in the nature of inducements offered by British companies, and any prejudice to British exporters through such practices by competitors.

Treasury accused of poor forecasting

BY ANTHONY HARRIS

ON THE EVE of the annual Public Expenditure White Paper, to be published later to-day, a London stockbroker accuses the Treasury of a bad record in forecasting expenditure, and equally poor monitoring of what is actually going on.

The new system of cash limits, intended to impose a tighter control on spending, will not work without an efficient monitoring system, the broker adds.

A circular from Greenwell and Co. sets out what is described as the "dismal saga" of official forecasts of public spending. It points out that the Treasury admission of an unplanned growth of £5.8bn. in public spending between 1971 and financial 1974-75, given in Treasury evidence to the House of Commons Expenditure Committee last May was not in fact the end of the story.

Figures published last month show that even in May the Treasury was under-estimating the amount which had actually been spent in the previous financial year by £571m. Spending on goods and services was understated by £831m., and on transfers it was over-stated by £260m.

In the current year, say the brokers, "the dismal chronicle continued." The most recent public sector data contain large gaps. "Seven months after the event, the authorities still could not identify net transactions totalling £1,139m. incurred in the first quarter of the current financial year. In the 12 months to September 30 1975 the unidentified transactions amount to £1,436m.

"The gap is similar in size to the authorities not knowing how they spent the revenue which would have accrued under the old taxes of surtax, capital gains tax and death duties."

To put matters right, the brokers argue that the Government should set up machinery to trace what is happening to the monthly cash outlays from the Consolidated Fund, and publish the results under economic categories, with appropriate seasonal corrections, so that both the authorities and outsiders can see how spending is progressing.

This is essential, they argue, if the new cash limits covering three quarters of public spending are not to be breached. If no warning of overspending is received, spending departments would simply run out of money and Parliament would be forced to give them more to prevent a breakdown.

They also argue that Britain should follow the latest U.S. practice in enforcing better Parliamentary control of spending.

Whenever a policy change is announced, its cost should be made clear, and Parliament would then either take offsetting action by raising taxes or charges, or authorise the additional borrowing involved. This would both prevent the passing of spending proposals "on the nod," and still more the growth of spending in ways of which Parliament is never made aware. About £2.2bn. of the growth of spending in the five years up to 1974-75 was attributed by the Treasury to "unannounced policy changes."

The Expenditure Committee has already been pressing for tighter control and fuller disclosure by the Treasury, and for a close linking between spending proposals and their tax consequences.

In a memorandum to the Committee earlier this week, the Treasury said that it was improving its monitoring system—private accountants are reported to be involved in this exercise—and that it would study presentation methods in the U.S. and elsewhere.

Namibia policy under fire

Financial Times Reporter

MORE GOVERNMENT support for the People's Liberation Movement in Namibia was advocated yesterday by the Labour Party's national executive.

This public criticism of Government policy is mainly directed at Mr. James Callaghan, the Foreign Secretary.

A pamphlet issued by the executive described as "a first priority" the giving of support to the Liberation Movement of Namibia, the South West African Peoples Organisation.

It comments: "While we welcome the limited government aid given to SWAPO, we do not believe that the present Government policy places us clearly and unequivocally on the side of those who are seeking liberation."

Weather

U.K. TO-DAY

CLOUDY with drizzle.

London, E. Anglia, Midlands, S.E., Cent. N. England

Mist or fog then dry with some bright intervals. Winds S., light. Below normal. Max. 5C (41F).

Cent. S. England, Midlands West, Wales, N.W. England, I. of Man

Cloudy with hill fog. Rain at times later. Winds S., light. Rather cold. Max. 6C (43F).

N.E. England, Borders, Edinburgh, Dundee, Aberdeen, Cent. Highlands

Cloudy, rain. Winds S., light. Rather cold. Max. 4C (39F).

Lakes, S.W. Scotland, Glasgow area, Argyll, N.W. Scotland

Cloudy, rain. Bright intervals. Wind S., light. Near normal. Max. 6C (43F).

Lighting up: London 17.51, Manchester 17.55, Glasgow 17.57, Belfast 18.07.

Outlook: Cloudy with rain.

BUSINESS CENTRES

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Amsterdam	S	3	41	London	C	5	41
Athens	R	10	50	Luxemb'g	C	2	36
Bahrain	S	19	66	Madrid	R	7	45
Barcelona	S	12	54	Manchestr	R	3	37
Beirut	F	16	61	Melbourne	R	25	77
Belfast	C	4	39	Montreal	C	−1	30
Belgrade	F	1	34	Moscow	C	−2	28
Berlin	S	3	37	Munich	C	0	32
Birm'ham	Dr	2	36	Newcastle	C	3	37
Bristol	C	2	36	New York	Fg	4	39
Brussels	S	6	43	Oslo	Sn	−4	25
Budapest	S	4	39	Paris	S	9	48
B. Aires	C	24	75	Perth	S	25	77
Cairo	S	20	68	Prague	F	4	39
Cardiff	C	3	37	Reykjavik	F	−5	23
Cologne	F	5	41	Rio De J'o	S	29	84
Copenhagn	C	−1	30	Rome	S	14	57
Dublin	C	4	39	Singapore	S	31	88
Edinburgh	C	3	37	Stockholm	S	2	36
Frankfurt	C	2	36	Strasbourg	C	3	37
Geneva	C	1	34	Sydney	R	29	84
Glasgow	C	3	37	Tehran	S	0	32
Helsinki	C	0	32	Tokyo	R	7	45
Hong Kong	S	23	73	Toronto	R	2	36
Jo'burg	S	23	73	Vienna	C	1	34
Lisbon	R	13	55	Warsaw	S	−1	30

HOLIDAY RESORTS

Ajaccio	C	12	54	Jersey	C	5	41
Algiers	F	17	63	Las Palmas	F	20	68
Biarritz	S	15	59	Locarno	R	6	43
Blackpool	R	3	37	Majorca	F	14	57
Bordeaux	S	10	50	Malaga	F	14	57
Boulogne	F	5	41	Malta	C	14	57
Casablanca	C	17	63	Nairobi	C	24	75
Cape Town	C	25	77	Naples	F	13	55
Corfu	C	13	55	Nice	F	14	57
Dubrovnik	C	13	55	Nicosia	C	16	61
Faro	C	15	59	Oporto	R	11	52
Funchal	F	16	61	Rhodes	C	14	57
Gibraltar	F	15	59	Salzburg	F	3	37
Guernsey	Dr	3	37	Tangier	R	14	57
Innsbruck	F	6	43	Tenerife	F	13	55
Inverness	C	4	39	Valencia	S	15	59
Istanbul	C	8	46	Venice	C	6	43

S—Sunny. F—Fair. H—Haze. C—Cloudy. R—Rain. Fg—Fog. Dr—Drizzle. Sn—Snow.

Snow report, Page 7

Registered at the Post Office. Printed by St. Clements Press Ltd. for and on behalf of the Financial Times Ltd., Bracken House, Cannon Street, London EC4
© The Financial Times Ltd.

هكذا صدر الأصل